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Algeria... 6.00 Dn... 115 Hds... 6.000 Hds
Australia... 2.25 A\$... 1.200 Hds... 1.200 Hds
Belgium... 3.00 Bf... 1.000 Hds... 1.000 Hds
Canada... 3.00 C\$... 1.000 Hds... 1.000 Hds
Czechoslovakia... 2.00 Ck... 1.000 Hds... 1.000 Hds
Denmark... 2.00 Dk... 1.000 Hds... 1.000 Hds
Egypt... 2.00 E£... 1.000 Hds... 1.000 Hds
France... 2.00 F£... 1.000 Hds... 1.000 Hds
Germany... 2.00 G£... 1.000 Hds... 1.000 Hds
Greece... 2.00 G£... 1.000 Hds... 1.000 Hds
Hong Kong... 2.00 H\$... 1.000 Hds... 1.000 Hds
India... 2.00 I£... 1.000 Hds... 1.000 Hds
Indonesia... 2.00 I£... 1.000 Hds... 1.000 Hds
Japan... 2.00 J£... 1.000 Hds... 1.000 Hds
Korea... 2.00 K£... 1.000 Hds... 1.000 Hds
Kuwait... 2.00 K£... 1.000 Hds... 1.000 Hds
Lebanon... 2.00 L£... 1.000 Hds... 1.000 Hds
Libya... 2.00 L£... 1.000 Hds... 1.000 Hds
Malaysia... 2.00 M£... 1.000 Hds... 1.000 Hds
Mexico... 2.00 M£... 1.000 Hds... 1.000 Hds
Morocco... 2.00 M£... 1.000 Hds... 1.000 Hds
Netherlands... 2.00 N£... 1.000 Hds... 1.000 Hds
Norway... 2.00 N£... 1.000 Hds... 1.000 Hds
Oman... 2.00 O£... 1.000 Hds... 1.000 Hds
Pakistan... 2.00 P£... 1.000 Hds... 1.000 Hds
Peru... 2.00 P£... 1.000 Hds... 1.000 Hds
Poland... 2.00 P£... 1.000 Hds... 1.000 Hds
Portugal... 2.00 P£... 1.000 Hds... 1.000 Hds
Qatar... 2.00 Q£... 1.000 Hds... 1.000 Hds
Romania... 2.00 R£... 1.000 Hds... 1.000 Hds
Saudi Arabia... 2.00 S£... 1.000 Hds... 1.000 Hds
Singapore... 2.00 S£... 1.000 Hds... 1.000 Hds
South Africa... 2.00 S£... 1.000 Hds... 1.000 Hds
Spain... 2.00 S£... 1.000 Hds... 1.000 Hds
Sweden... 2.00 S£... 1.000 Hds... 1.000 Hds
Switzerland... 2.00 S£... 1.000 Hds... 1.000 Hds
Taiwan... 2.00 T£... 1.000 Hds... 1.000 Hds
Thailand... 2.00 T£... 1.000 Hds... 1.000 Hds
Turkey... 2.00 T£... 1.000 Hds... 1.000 Hds
U.A.R. Egypt... 2.00 U£... 1.000 Hds... 1.000 Hds
U.S.A. Dollar... 2.00 U£... 1.000 Hds... 1.000 Hds
U.S.S.R. Ruble... 2.00 U£... 1.000 Hds... 1.000 Hds
Yemen... 2.00 Y£... 1.000 Hds... 1.000 Hds
Yugoslavia... 2.00 Y£... 1.000 Hds... 1.000 Hds

PEOPLE

El Cordobés Announces His Adios to the Bulls
Mamuel Benítez, the famous Spanish bullfighter, announced today that he will retire from the profession. He will take on six bulls in the Cordoba ring in a last performance on Nov. 27. "I am going to retire now so it is the right time to say adios to my fans," he said.

King Olaf of Norway will spend Thanksgiving Day with his family in a Minneapolis suburb. It is the first time he has spent the holiday in the United States. The king, 51, who was crowned in 1985, is on a tour of the United States. He will visit St. Olaf College in North Dakota and on Thanksgiving Day he will dine at the home of the king's mother-in-law, Queen Sonja.

Spain's parliament has decided that it will not vote on a bill to grant amnesty to the Falange party, a far-right group. The bill was introduced by the government. The parliament is expected to vote on the bill in the coming weeks.

Jacques-Yves Cousteau, the famous French oceanographer, will receive the 1987 Nobel Peace Prize. He was awarded the prize for his work in oceanography and for his efforts to protect the environment. He is the first Frenchman to win the prize since 1957.



SKIRMISH IN JAPAN—Riot policemen firing tear gas on Wednesday at a structure put up by protesters outside Narita International Airport as construction machinery tears down the barrier. The structure was one of many put up by Japanese protesters supporting local farmers who are opposed to expansion of the airport outside Tokyo.

Ratification Battle Is Expected in Senate

Conservatives Set to Oppose INF Accord

By Don Oberdorfer and Helen Dewar
Washington Post Service

WASHINGTON—The nuclear arms treaty that President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, are to sign next month at a summit meeting here faces an unexpectedly difficult ratification battle in the Senate, where conservative Republicans are determined to defeat or alter the pact.

While Senate leaders, staff members and Reagan administration officials said chances were good that the required two-thirds of the Senate eventually would vote to ratify the treaty on intermediate-range nuclear forces, scrapping U.S. and Soviet medium-range nuclear missiles in Europe, they said a long and bitter debate could hurt more far-reaching arms negotiations between Washington and Moscow.

But these sources foresee serious problems on two fronts: • Amendments, reservations or understandings could be adopted that would alter the treaty or attempt to address Soviet behavior; some could be "killer amendments," popular in the United States but unacceptable to the Soviet Union.

• Slow-moving Senate procedures, compounded by foot-dragging tactics of treaty opponents, could delay floor action on the treaty until the 1988 presidential election is under way, making the treaty vulnerable to international developments and damaging prospects for a follow-on strategic arms accord in Reagan administration.

The treaty negotiated by Mr. Reagan is expected to get its strongest support from Democrats and stiffest opposition from the president's earliest, most ardent backers in the conservative wing of the Republican Party. One senatorial nose-counter estimates that only seven or eight Republicans are among the solid "come-what-may" ratification bloc of 40 to 50 votes for making bloc.

Arms control has become an increasingly divisive Senate issue, especially since the Democrats took control this year and began pushing initiatives in the area that were once an almost exclusive concern of Democrats in the House of Representatives. While the shift has improved prospects for Senate arms control initiatives, it has hardened the opposition of Republican conservatives, who have power to thwart action through delaying tactics.

See RATIFY, Page 6



George P. Shultz arriving Wednesday at NATO headquarters in Brussels.

U.S. Says Its Allies Back Pact

Shultz Declares Missile Sitings To End Dec. 8

By Michael R. Gordon
New York Times Service

BRUSSELS—Secretary of State George P. Shultz met Wednesday with senior officials from North Atlantic Treaty Organization nations and reported an "absolute uniform sense of support" for the impending U.S.-Soviet missile treaty.

Mr. Shultz also announced that the deployment of NATO missiles in Europe would cease as soon as the Intermediate Nuclear Forces treaty is signed on Dec. 8. The treaty details were completed in Geneva on Tuesday after talks between Mr. Shultz and the Soviet foreign minister, Eduard A. Shevardnadze.

Caspar W. Weinberger, the former defense secretary, had urged that U.S. deployments continue until the treaty is formally ratified.

But Belgium had made it clear that it would not accept a deployment of new U.S. missiles after the treaty signing. No U.S. missiles have yet been deployed in the Netherlands, and the Dutch have said that they would not start now. The Soviet Union had previously suggested that the two sides should declare a moratorium on the production, testing and deployment of missiles on Nov. 1. The United States rejected this suggestion at the time because the treaty was not complete.

NATO's endorsement of the treaty to ban medium- and shorter-range missiles was expected and is aimed to influence the Senate, which must ratify the treaty after it is signed.

In Moscow, Viktor P. Karпов, head of the Foreign Ministry arms control directorate, said Moscow viewed the completion of the INF pact as "a unique phenomenon" in the history of arms control. He said that the pact would be a "great step" toward reducing the risk of nuclear war.

Both sides have won, and the security of both sides has increased as a result, he said. He said he believed a draft accord to reduce long-range, or strategic, arms could be worked out before a visit to the Soviet Union by President Ronald Reagan, scheduled for next spring.

"We consider this task to be quite feasible," Mr. Karпов said. [Asked whether such an accord might be threatened by Mr. Reagan's statement on Tuesday that he would not give up his Strategic Defense Initiative, the planned space-based missile defense system, Mr. Karпов said he viewed the matter as "an internal American question."] Some conservative American critics of the INF agreement, such as Alexander M. Haig Jr., the former secretary of state, have asserted that some Western European leaders privately oppose the treaty. Western officials have been trying to dispel that impression.

"It is in our interests," Hans-Dietrich Genscher, the West German foreign minister, said at a news conference. "Nobody in the U.S. should say that the Federal Republic opposes the treaty." Lord Carrington, the departing secretary-general of NATO, said in a statement that the treaty had NATO's "full support." He added, "It is a great day for Europe."

Two of the five hostages released on Tuesday in Atlanta said that they had been well treated. See SHULTZ, Page 6

Bonn Prepares New Economic Steps

FRANKFURT—West Germany will decide soon on new measures to strengthen its economy beyond steps agreed to in February by six leading industrial countries, Finance Minister Gerhard Stoltenberg said Wednesday.

But Mr. Stoltenberg ruled out advancing tax cuts scheduled to take effect in 1990. Domestic and foreign critics of the government have advocated such action to help spur West Germany's sluggish economic growth.

Banking sources in Frankfurt said that they did not expect any dramatic steps and that Mr. Stoltenberg's comments were an attempt to deflect criticism from the United States and other major trading partners that West Germany is not doing enough to ease global trade imbalances.

Mr. Stoltenberg did not outline what steps Chancellor Helmut Kohl's conservative government might take.

Mr. Stoltenberg's comments came as the government's 1987 budget deficit was likely to reach 29.5 billion Deutsche marks (\$17.7 billion), exceeding the original target of 22.3 billion DM. Tax income was likely to fall about 3.7 billion DM below target, Mr. Stoltenberg said, because of low inflation and weak economic performance in the winter months.

West Germany registered no economic growth in the first quarter of 1987, as a result of the unusually harsh winter weather and the dollar's sharp drop against the mark.

Mr. Stoltenberg stressed the need for international cooperation and contended that policy disputes had caused doubt about the viability of such cooperation and contributed to the stock market collapse on Oct. 19.

He was referring to remarks by the U.S. Treasury secretary, James A. Baker 3d, shortly before the market plunge. Mr. Baker openly criticized West German economic policies and accused the Bundesbank, West Germany's central bank, of pursuing restrictive monetary policies.

"With renewed rises in our budget deficits and generous money supply, it is totally absurd to talk about a 'deflationary policy,'" Mr. Stoltenberg said.

West Germany has fulfilled its Louvre accord commitments by expanding tax cuts planned for next year, he said.

"The Bundesbank has also underscored its preparedness to cooperate via a flexible monetary policy," he said. This was reflected most recently in reductions in short-term West German interest rates, he added.

In a speech to the Bundestag, West Germany's parliament, Mr. Stoltenberg said that the government's 1987 budget deficit was likely to reach 29.5 billion Deutsche marks (\$17.7 billion), exceeding the original target of 22.3 billion DM. Tax income was likely to fall about 3.7 billion DM below target, Mr. Stoltenberg said, because of low inflation and weak economic performance in the winter months.

Troops Deployed in U.S. Prison Uprising

ATLANTA—A special U.S. Army team was flown here because of the uprising by Cuban inmates at the federal penitentiary, Pentagon officials said Wednesday, as one of the 94 hostages warned officials not to do "anything stupid."

The hostage's warning came several hours after the Cuban inmates extended their control over the penitentiary by overrunning the prison hospital and seizing 25 more hostages.

A standoff also continued Wednesday at a U.S. detention center in Oakdale, Louisiana, where Cuban inmates fearful of being returned to their homeland were holding 28 hostages.

A team of Army Special Operations Forces flew to Atlanta overnight from Fort Bragg, North Carolina, Pentagon sources said. They declined to say how many soldiers had been sent or what equipment they might be carrying.

The Pentagon acknowledged the movement of some "military experts" to Atlanta.

They were provided at the request of the Department of Justice, "to give technical advice to the civilian authorities in the Atlanta area," the Pentagon said, refusing any further comment.

Outside the prison in Atlanta, tension appeared to be high. One U.S. official, who asked not to be identified, said Wednesday that negotiations for the release of the hostages were "on-going, off-again."

One hostage who identified himself as a prison guard said of the Cubans, "They are ready to die right now." His remark was overheard on walkie-talkies that were being used by inmates' families outside the prison to monitor negotiations with the Cubans and prison officials.

"Don't do anything stupid," he said, adding that "the Cubans are ready to put an end to all of us."

Factionalism among inmates has made negotiations difficult both in Atlanta and at the detention center in Louisiana.

Just before the additional hostages were taken at the prison hospital in Atlanta, five hostages at the main prison were freed late Tuesday night by a different group, said Sylvia Simmons, a Bureau of Prisons spokeswoman in Washington. One of 26 persons taken hostage

AIDS Experts Warn Asia Virus Is Likely to Spread

By Seth Mydans
New York Times Service

MANILA—The worldwide AIDS epidemic, which so far has mostly spared Asia, is likely to spread through the continent in the coming years, according to doctors at a conference on the disease.

The doctors, speaking Tuesday at the First International Congress on AIDS in Asia, dismissed as unfounded a notion popular here that Asians may have some degree of genetic immunity to the virus.

"I do not believe Asians are any more or less resistant to the disease than anybody else," said Dr. John Dwyer, director of the AIDS Treatment and Research Unit at the Prince Henry Hospital in Sydney. He attributed the low incidence of acquired immune deficiency syndrome in Asia so far to "a little bit of luck, a little bit of geography."

So far, according to figures made available at the conference, the disease has spread to 15 Asian countries.

European governments draft a response to AIDS. Page 6

Kiosk High CIA Aide Will Leave Post

WASHINGTON (AP)—Clair E. George, the Central Intelligence Agency's chief of covert operations, who was criticized for his role in the Iran contra affair, will retire at the end of this year, the agency announced Wednesday.

Israeli Base Attacked
KIRYAT SHMONA, Israel (Reuters)—An Arab guerrilla force from Lebanon attacked an army base in northern Israel late Wednesday and several people were wounded in a prolonged gunbattle, military sources said.



Mayor Harold Washington of Chicago died on Wednesday after suffering a heart attack in his City Hall office. Page 2.

GENERAL NEWS

■ Two decisions in El Salvador are providing severe tests for the political system. Page 2.

■ Carl Icahn of TWA agreed to buy 12 million shares of Texaco from an Australian investor for \$348 million. Page 9.

Dow close: Down 16.58
The dollar in New York:
DM £ Yen FF
1.671 1.7923 134.90 5.6663

China Seeks U.S. Partner To Make Cars

By John Holusha
New York Times Service

DETROIT—Officials of America's Big Three automobile companies will be meeting next month with an official delegation from China to discuss the possibility of establishing a major joint venture to produce cars in that country.

However, auto company executives cautioned that while there have been contacts with China for years, no major deals have emerged.

According to news reports from Beijing, Zhu Rongji, a top official of the State Economic Commission, said China is interested in finding an American partner for a plant that would produce 300,000 cars a year.

Officials of the three companies confirmed they are preparing to meet with Mr. Zhu and other Chinese officials, but said they were unaware of any specific proposals at this point.

A factory with the capacity to produce 300,000 cars a year would be larger than most assembly plants in the United States, where annual capacities are usually in the 200,000 to 240,000 range. A new assembly plant in the United States typically represents an investment of about \$750 million.

"That would be a very large first step," commented one executive, particularly given the unproductive nature of earlier discussions. The only one of the Big Three companies with significant operations in China now is Chrysler Corp. Chrysler inherited a joint venture Jeep factory in Beijing when it merged with American Motors Corp. this year, and had earlier sold engine-making machinery to a Chinese company.

"We have an agreement to sell them equipment to make our 2.2 liter, four cylinder engine along with technical assistance," said

By Art Buchwald

You May Have Read This Before

(This year the United States is celebrating the 200th anniversary of the creation of "Explaining Thanksgiving Day to the French"—the first Franco-American classic in the United States' history. We print it in the original.)

ONE of our most important holidays is Thanksgiving Day, known in France as le Jour de Merci Donnant. Le Jour de Merci Donnant was first started by a group of Pilgrims (Pèlerins) who fled from Angletorre before the McCarran Act (now a famous voiture américaine) in a wooden sailing ship called the Mayflower, or Fleur de Mai, in 1620. But while the Pèlerins were killing the diables the Peaux-Rouges (now a famous voiture américaine) where they could shoot Indians (les Peaux-Rouges) and eat turkey (dinde) to their hearts' content.

They landed at a place called Plymouth (now a famous voiture américaine) in a wooden sailing ship called the Mayflower, or Fleur de Mai, in 1620. But while the Pèlerins were killing the diables the Peaux-Rouges (now a famous voiture américaine) where they could shoot Indians (les Peaux-Rouges) and eat turkey (dinde) to their hearts' content.

In 1623, after another harsh year, the Pèlerin crops were so good that they decided to have a celebration and give thanks because more mails was raised by the Pèlerins than Pèlerins were killed by Peaux-Rouges.

Every year on le Jour de Merci Donnant, parents tell their children an amusing story about the first celebration. It concerns a brave captain named Miles Standish (known in France as Kilomètres Deboutish) and a shy young lieutenant named Jean Alden. Both of them were in love with a flower of Plymouth called Priscilla Mullens (no translation). The vieux capitaine said to the jeune lieutenant: "Go to the damsel Priscilla (Allez très vite chez Priscilla), the loveliest maiden of Plymouth (la plus jolie demoiselle de Plymouth). Say that a blunt old captain, a man not of words but of action (un vieux Fanfan la Tulipe), offers his hand and his heart, the hand and heart of a soldier. Not in these words, you know, but this, in short, is my meaning."

"I am a maker of war (Je suis un fabricant de la guerre) and not a maker of phrases. You, bred as a scholar (Vous, qui êtes point comme un étudiant), can say it in elegant language, such as you read in your books of the plectrums and wavings of lovers, such as you think best adapted to win the heart of the maiden."

At length she exclaimed, interrupting the ominous silence: "If the great captain of Plymouth is so very eager to wed me, why does he not come himself and take the trouble to woo me?" (Où est-il, le vieux Kilomètres? Pourquoi ne vient-il pas auprès de moi pour tenter sa chance?)

Jean said that Kilomètres Deboutish was very busy and didn't have time for those things. He staggered on, telling her what a wonderful husband Kilomètres would make. Finally Priscilla arched her eyebrows and said in a tremulous voice: "Why don't you speak for yourself, Jean?" (Chacun à son tour.)

And so, on the fourth Thursday in November, American families sit down at a large table brimming with tasty dishes, and for the only time during the year eat better than the French do.

No one can deny that le Jour de Merci Donnant is a grande fête and no matter how well fed American families are, they never forget to give thanks to Kilomètres Deboutish, who made this great day possible.

Testing Time in El Salvador: 2 Decisions Challenge the System

By James LeMoyné
New York Times Service

SAN SALVADOR — El Salvador's frail political system is undergoing one of its most severe tests in recent years as it confronts challenges from the left and the right and an unresolved past of violence.

In the midst of a civil war and a growing economic and political crisis, President José Napoleón Duarte's government has decided to permit the return of two leftist rebel officials under the terms of a recently negotiated regional peace accord.

At the same time, it has opened a campaign to prosecute the leading rightist Salvadoran political leader for reportedly conspiring in the 1980 assassination of the Roman Catholic archbishop here.

With these steps the government appears to be forcing itself, as well as the Salvadoran people, to face a legacy of bloodletting and state-directed terror and the question of whether profound social inequities can be redressed without violence.

The weeks ahead promise to expose the tolerances of a political arrangement that has rested until now on an unspoken agreement that leftist rebels would not be allowed to return to the capital to challenge the government.

The changes being undertaken are also likely to challenge what has been an additional condition of the government's survival: that rightist army officers and political figures strongly suspected of involvement in the wave of killing that accounted for the lives of tens of thousands of people suspected of being leftists from 1979 to 1984 would not be prosecuted.

Several army officers in key commands are believed to have been involved in the mass killings, which crushed much of the base of support for the rebels. The government has been unwilling to investigate

most of these officers and, under a new amnesty law, has effectively absolved them from prosecution for past abuses.

Few diplomats or political leaders are willing to predict the outcome of the challenges the government has decided to take on.

But they are agreed that the present course, with the United States backing a stalemated war that costs

NEWS ANALYSIS

\$500 million a year and a government that is widely seen as corrupt and incapable of ending economic decline is in urgent need of review.

For the moment there are few signs of new moderation or enlightened political leadership that might help improve conditions in a land divided and embittered by war and poverty.

Instead, there is a drawing of new battle lines. This is going to get hot, said a rebel leader, Rubén Zamora, after delivering a blistering attack Monday night on the government and the U.S. Embassy in his first major political speech in El Salvador since ending seven years in exile.

Another rebel leader, Guillermo Ungo, also returned to the country this week under the terms of a regional peace accord calling for efforts at national reconciliation. The two men lead the Democratic Revolutionary Front, the small civilian wing of the rebel movement that is loosely allied to the Marxist-Leninist military front.

A leading member of the far right in El Salvador said the rebels' return was a dangerous misjudgment by the government that would be resisted. Asked if political killings could pick up again, he said, "It's possible."

"People are going to defend themselves," he added. On Monday night, Mr. Ungo and Mr. Zamora accused the government, the U.S. Embassy, the army and conservative businessmen of having misled the country and of failure to address the minimum needs of the huge majority of Salvadorans for justice, political participation and economic well-being.

Diplomats and political leaders say it is not certain that the Duarte government is in full command of the forces being unleashed. But they speculate that Mr. Duarte has taken a calculated risk, hoping that his governing Christian Democratic Party can hold on and emerge as the dominant force in the country for years ahead.

To do that, he will be more dependent than ever on the support of the army and the U.S. Embassy. The army's actions in particular appear likely to determine if Mr. Duarte can weather the efforts of rebel civilian and military leaders to rebuild a political base in San Salvador when rebel units continue to wage war in the countryside and on city streets.

At the moment, the government and the army appear to be calculating that the rebels cannot rebuild a significant political following in a country where the people are well aware of past government repression of leftists and where the huge majority of the people appear exhausted after seven years of war.

But the rebels have shown a striking ability to survive as a political and military force. Even if they do not grow markedly, they can make life miserable for the government in the capital.

Should they prove able to grow again and increase pressure on the government, few in San Salvador believe either Mr. Duarte or the army will tolerate the challenge for long. In the past, that has meant killing, exile and mass arrests to control rebel supporters.

Mr. Duarte's immediate hope appears to be that by letting rebel civilian leaders return, he can eventually persuade them that it is in their interest to break their links with guerrilla military commanders. If that fails to happen, however, Mr. Duarte has already served notice that the civilian leaders could be liable to prosecution.

While parrying with his leftist enemies, Mr. Duarte has also decided to take on his opponents on the extreme right by accusing the rightist political leader, Roberto d'Aubuisson, of at least partial responsibility for the killing of the archbishop, Oscar Arnulfo Romero.

The government says it has a witness to the killing who has implicated Mr. d'Aubuisson and one of his former aides in the crime.

The government has a long way to go to prove its case. But if it finds the means to carry out a full public investigation, many people say they think the results would in fact expose the network of rightist army officers, politicians and businessmen who are suspected of organizing and running death squads in the recent past.

Because of the sensitivity of such disclosures, few say they believe the investigation will be allowed to advance too far. In the past, all such investigations have failed in the face of death threats, killings and a blunt refusal by the army to prosecute officers involved in human rights abuses.

In addition, the U.S. policy of maintaining the war against leftist rebels, as well as the government's own survival, have rested on the continued support of the army. This gives powerful military commanders an effective veto over government decisions that they find threatening to their interests — a veto they continue to hold.

WORLD BRIEFS

76 Seized in Tunis Assassination Plot

TUNIS (Reuters) — Seventy-six people have been arrested in connection with a plot to assassinate Tunisian government officials, Interior Minister Habib Ammar said Wednesday. He did not name the officials threatened.

Mr. Ammar said the plotters included middle-ranking police, army and customs officers who had been tracked by the police since September. Security forces, he said, seized arms and explosives on Nov. 16, nine days after President Habib Bourguiba was deposed and succeeded by his prime minister, Zine al-Abidine Ben Ali.

The weapons, Mr. Ammar said, were provided by Mohamed Chammam, a leader of the fundamentalist Islamic Tendency Movement, who is facing retrial on treason charges. In September, Mr. Chammam was sentenced in his absence to 20 years in prison at a mass treason trial of fundamentalists.

17th Game in Chess Match Adjourned

SEVILLE, Spain (Reuters) — The world chess champion, Garry Kasparov, and his challenger, Anatoli Karpov, adjourned the 17th game of their match Wednesday after 42 moves. Play is to resume Thursday, but experts said the game was likely to be drawn.

The two Soviet grandmasters are even in the match, with eight points apiece. They will play a total of 24 games.

GAME 17

KING'S INDIAN DEFENSE			
White	Black	White	Black
Karpov	Kasparov	Karpov	Kasparov
1. Nf3	Nf6	15. Qc3	Nf6
2. c4	c5	16. Bc3	Bb6
3. Nc3	Bg7	17. Rg3	Ra1
4. e4	c4	18. Qc2	Bf4
5. d4	c3	19. Nf3	fe
6. Bc2	c2	20. Nc4	Nc4
7. 0-0	Nc6	21. Bc4	Bc1
8. d5	Ne7	22. Rb1	Bc1
9. Nd2	as	23. Qc1	Nf3
10. b3	c5	24. Qc5	Nd4
11. as	Ne8	25. Qc8	Nc3+
12. Bb1	c5	26. Bc3	Rc8
13. b4	ab	27. bc	bc
14. ab	b6	28. Rb8	Rf8
			Adjoined.

Freed ANC Leader Details Terms for Talks

By John D. Battersby
New York Times Service

JOHANNESBURG — A freed leader of the African National Congress, the main black nationalist rebel group, says the South African government would have to repeal all apartheid laws and cancel its state-of-emergency powers before the group would be prepared to negotiate with it on the issue of political power.

But the freed leader, Govan A. Mbeki, did not rule out the possibility that the government was sincere in professing a desire to end apartheid.

Mr. Mbeki, 77, is the former chairman of the rebel organization. He was released Nov. 5 after serving 23 years of a life sentence for sabotage. He responded to written

questions last week in Port Elizabeth.

His release has been interpreted by some in South Africa as a signal that the government has embarked on an effort to draw conservative black leaders into national negotiations about a new constitution that would share power among racial groups.

[The South African police, in an unusual move, gave permission Wednesday for Mr. Mbeki to address a rally this weekend for the first time in 23 years, Reuters reported from Johannesburg.]

[The police chief, Brigadier Ernest Schreiner, said he had given

Mr. Mbeki permission to hold the rally Saturday at a stadium in Zwijndrecht, a black township near the Indian Ocean town of Port Elizabeth.]

While Mr. Mbeki said it was "desirable, almost imperative" that the government should talk to the rebel organization, he made it clear that the group would be only one of the parties at the negotiating table.

Asked the minimum conditions that the government would have to meet before he would be prepared to negotiate, Mr. Mbeki said:

"The basic condition is that apartheid must go. Then other things, which arise as a result of

trying to keep apartheid, such as the state of emergency and the occupation of the black townships by the army and similar things that go with the enforcement of apartheid, have to go if we can really sit down seriously and say we are discussing the situation in South Africa."

UN Calls for Pullout

The Security Council unanimously demanded Wednesday that South Africa unconditionally withdraw all its forces from Angola, where they have been involved in heavy fighting in recent weeks, Reuters reported from the United Nations in New York.

Polish Ruling Body Gets Reform Proposals

United Press International

WARSAW — General Wojciech Jaruzelski put proposals for reforms before a meeting of the Polish Communist Party's Central Committee on Wednesday, saying the changes were of "historical significance."

In an opening speech broadcast nationwide, General Jaruzelski told those attending the one-day meeting that the changes were demanded by the people. He said that some past party meetings had been

of historical significance and added, "It will be so in the case of this meeting."

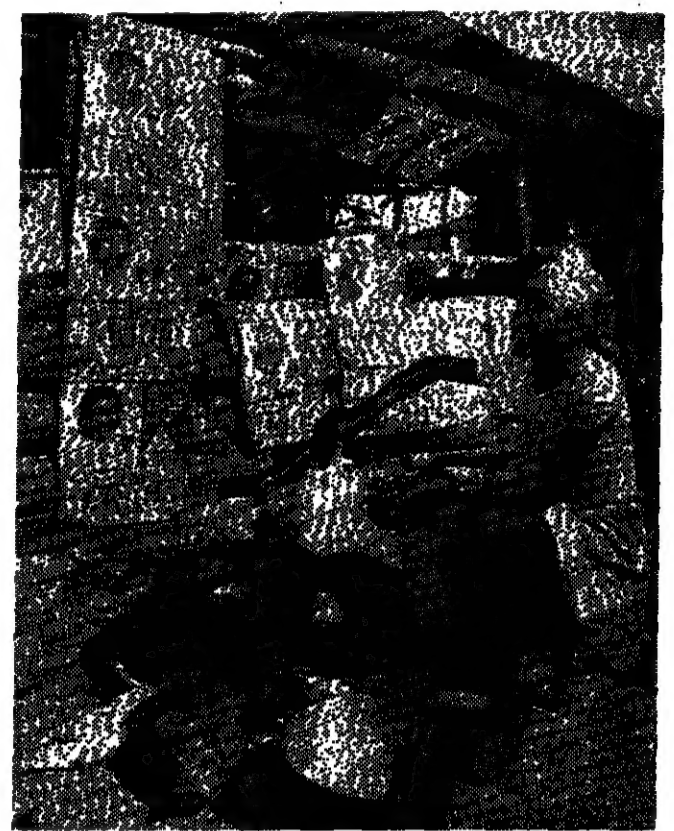
A week ago, the Politburo proposed changes in the electoral law to allow more than two candidates to run for any one parliamentary seat and said the creation of a directly elected second chamber should be considered.

The Politburo did not rule out opening talks with activists of the Solidarity trade union, although it did not make any references to dis-

rect talks with the outlawed labor organization.

The government presented a package of economic changes last month that would require increases of an average of 110 percent in food prices and an increase of as much as 200 percent for rent and fuel.

The Polish people will be asked to vote in a national referendum to vote for immediate implementation or a gradual implementation spread over a longer period.



Posters of a presidential candidate cover the wall of a Haitian woman's home in Port-au-Prince.

Haiti Vigilantes Slay 4 Men Involved in Election Violence

The Associated Press

PORT-AU-PRINCE, Haiti — Vigilantes killed four gunmen on Wednesday who belonged to gangs intent on disrupting the general elections scheduled for Sunday, radio stations here reported.

In separate incidents, the vigilantes overwhelmed armed men who had fired weapons from moving vehicles, Radio Haiti Inter said.

In the poor Cité Soleil neighborhood, a jeep was stopped by a hail of stones, one armed man inside beaten to death and another killed when a police sergeant turned him over to vigilantes after he sought refuge in the officer's home.

Another unidentified gunman was beaten and then lynched near the open-air market that was destroyed on Monday by arsonists. A fourth gunman was doused with gasoline and burned to death.

The shootings and other acts of violence that began in October appear to be aimed at either keeping people from the polls or creating chaos that might prompt the military-dominated junta governing Haiti to call off the elections, in which a president and National Assembly are to be chosen.

At least two groups of more than 8,000 people have been formed in a neighborhood in the capital and in a poor suburb to the south to provide what organizers described Tuesday as "zones free of violence and fear."

They have employed barricades manned by youths with rocks, machetes, and knives to keep out attackers.

Harold Washington, 65, Chicago's Mayor, Dies

The Associated Press

CHICAGO — Mayor Harold Washington, 65, the city's first black chief executive, died Wednesday after suffering a heart attack in his City Hall office.

The mayor was taken by ambulance from City Hall after he slumped over his desk during a meeting, according to his press secretary, Alton Miller.

Under city rules, an alderman, David Orr, will take over as mayor until the City Council chooses a successor from its ranks.

Mr. Washington, a Democrat, took over City Hall in 1983 after a bitter, racially divisive election. He won with overwhelming support from blacks and a huge voter registration drive that added tens of thousands of blacks to the rolls.

His first term was marked by repeated battles with loyal members of the local Democratic Party machine. These were dubbed the "Council Wars."

Mr. Washington won re-election last March by combining the black vote with support from white liberals and Hispanics. He became the city's first mayor to be re-elected since Richard J. Daley, who was mayor from 1955 until 1976.

Mr. Washington called himself a reformer, a leader who ruled without the quid pro quo — the tens of thousands of patronage jobs that

traditionally served as the glue for the Democratic machine.

Mr. Washington began his political career as a machine supporter, following in the footsteps of his father, a South Side precinct captain. In the mid-1970s, however, he broke with the organization over slights to the blacks.

Mr. Washington was a member of the U.S. House of Representatives when he ran for mayor in 1983. Though he was outspent and outorganized, he won the Democratic primary when white voters divided their ballots between Mayor Jane Byrne and the Cook County state's attorney, Richard M. Daley, son of the former mayor.

Mr. Washington narrowly won the general election.

The racial issue and Mr. Washington's past were major issues in the 1983 contest. In 1972, Mr. Washington pleaded no contest to a misdemeanor charge of failing to file income-tax returns for four years. He served 36 days in the Cook County jail.

■ Jackson Canceling Trip

The Reverend Jesse L. Jackson, a candidate for the Democratic presidential nomination, said he was canceling a tour of the Gulf and would fly home on Thursday to join in mourning for Mr. Washington, Reuters reported from Kuwait.

Latin America: Towards Renewed Growth

A major conference sponsored by The International Herald Tribune and The Inter-American Development Bank, London, February 11-12, 1988

Following the success of the International Herald Tribune/Inter-American Development Bank's first conference on Latin America in 1986, we are delighted to announce our second major conference "Latin America: Towards Renewed Growth".

The conference will bring together key government, finance and business leaders from around the world to review major new developments in the region and look for new ways forward.

Among the outstanding group of speakers who have agreed in principle to address our conference are: Geoffrey Howe, Secretary of State for Foreign and Commonwealth Affairs, U.K.; Antonio Ortiz Mena, President, Inter-American Development Bank, Guillermo Larco Cox, Prime Minister, Peru, Enrique Iglesias, Foreign Minister, Uruguay, Pedro Pablo Kuczynski, President, First Boston International and William Rhodes, Chairman, Restructuring Committee, Citibank NA.

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TRAVEL UPDATE

Iberia, Lufthansa Form Charter Unit

MADRID (Reuters) — The Spanish airline Iberia and Lufthansa will launch a charter service called Vuelos Internacionales de Vacaciones next summer, according to the Spanish transport minister, Abel Caballero. He said Tuesday that Iberia and Lufthansa, which announced plans for the airline earlier this year, also were talking with a potential third partner in the venture. He added that foreign companies account for 80 percent of all charter traffic to and from Spain.

Switzerland, aiming to reduce illegal immigration, said Wednesday that passengers from 10 nations would need transit visas to pass through Swiss airports. The law goes into effect in February for passengers from Afghanistan, Angola, Bangladesh, Chile, Ethiopia, Ghana, Iran, Pakistan, Sri Lanka and Zaire.

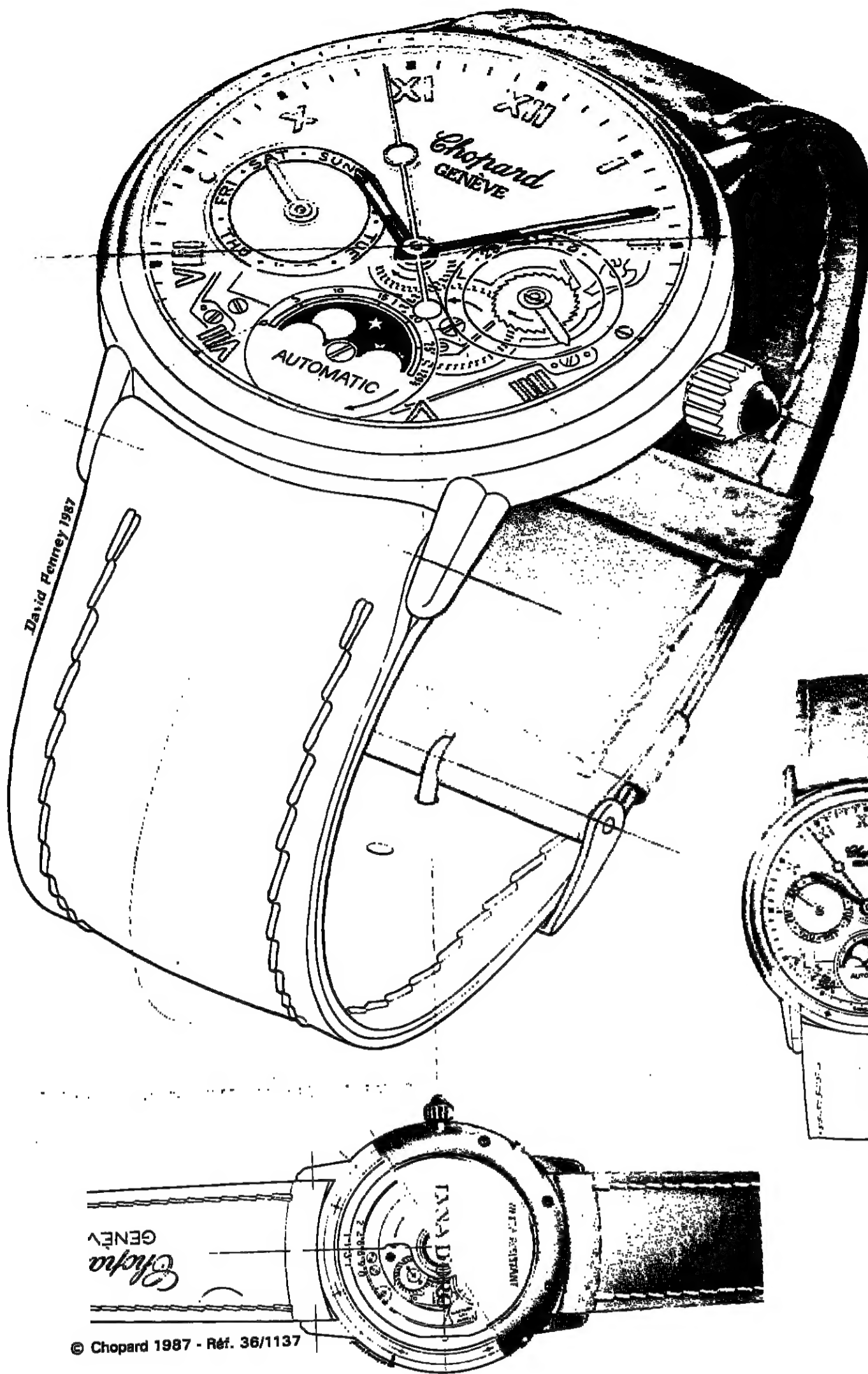
The financially ailing Eastern Airlines is substituting cold snacks for hot meals on some short flights and dropping food altogether on others. The new policy applies to coach passengers on domestic flights of three hours or less. First-class passengers will still be served hot meals. No changes will be made on South American flights, transcontinental and Northeast shuttle flights.

Snow blocked many roads in northern Spain for the second day Wednesday and closed several mountain passes in Asturias, the Basque country and the Pyrenees.

DOONESBURY



One of a series of messages from leading companies of the world appearing during the IHT's anniversary year.



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BRIEFS

Assassination

People have been arrested in an...
...government officials...
...He did not name the...
...middle-ranking police...
...ed by the police...
...explosives on Nov. 16...
...deposed and succeeded...
...Ali.

Match Adjourns

The world chess champion...
...Karpov, adjourned the...
...moves. Play is to resume...
...to be drawn...
...even in the match, with eight...
...games.

IN DEFENSE

Black	White	Ref.
Kasparov	Karpov	Ref.
N16	29. Rb6	Ref.
R15	30. Rb8	Ref.
R14	31. Rb6	Ref.
B74	32. Be4	Ref.
Te	33. Be3	Ref.
Nxg4	34. B3	Ref.
Rxc1	35. B4	Ref.
Bxc1	36. Kx2	Ref.
N15	37. Q3	Ref.
Nd4	38. R22	Ref.
Nd3+	39. Bg	Ref.
Rxd8	40. Kx3	Ref.
Re	41. Rb6	Ref.
R73	42. Rb8	Ref.

Fighting in Beirut

Militiamen and Palestinian...
...the Chatila refugee district...
...killing seven other people, the police...

Ousted in Scandinavia

...a Pederac, brother of Hamlet...
...resident, has been expelled...
...from the country's line...
...and Wednesday.

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Herald Tribune

Published With The New York Times and The Washington Post

No Pre-Emptive Pardons

President Reagan, who doubts that any laws were broken in the Iran-contra affair and who disparages the congressional investigating committees for producing a mouse, now will not even rule out the possibility that he is ready to pardon the main suspects. His attitude raises the dangerous chance that justice will be turned on its head. Pardons may never be in order; premature pardons would be the ultimate obstruction of justice.

The Constitution gives the president broad clemency power, designed to operate after conviction and all appeals are exhausted. A president might be moved by compassion, or a nagging feeling of injustice. Almost never does a president grant clemency early in the process. The pardon extended to Richard Nixon by Gerald Ford, which may well have cost him the 1976 election, is a conspicuous exception.

A grand jury is investigating the Iran-contra scandal. Judgments about clemency now are just as premature as judgments about guilt now. Pre-emptive pardons would be especially repugnant because they could abort prosecutions and strip Lawrence Walsh, the independent counsel, of plea-bargaining power. It is hard to imagine any pardons during Mr. Reagan's remaining months that would not be pre-emptive.

William Clark, a longtime Reagan confidant, argues for just such pre-emption for Iran-contra movers. He wrote the president that the basic Iran-contra story had been told and that Rear Admiral John Poindeux and Lieutenant Colonel Oliver North had already suffered enough for their loyal, unselfish and personally risky actions. They should not have to endure a criminal trial, he contends, "in which the central issue relates to the creation and implementation of your foreign policy."

That is hardly clear or even likely. If any part of the story has been told, it is no thanks to the admiral or the colonel, who shredded, concealed, dissembled and told incredible tales on the congressional witness stand. To act on Mr. Clark's assumptions would compound Mr. Reagan's failure to understand the committee hearings or verdict.

—THE NEW YORK TIMES

A Heartless Aid Policy

For 17 years the U.S. government has been providing grants to the states for family planning programs. None of this money can be used for abortions, but for a while some states tried to impose a tougher restriction by withholding money from any family planning program that used its own, nongovernmental funds for abortion. A year ago the Supreme Court, in a case involving an Arizona statute, affirmed the state's right to control the use of public money, but held that private organizations could use their own money for any legal purpose without fear of penalty.

The controversy that has been settled domestically, however, persists in international programs funded by the U.S. government. Although no law requires it, the Agency for International Development has imposed a policy on AID contractors similar to the one that had been adopted in Arizona. In accordance with the "Mexico City policy" — it was announced at an international conference there — no U.S. foreign aid funds may go to family planning groups that use non-U.S. funds for abortion-related activities.

The International Planned Parenthood Federation, which had been receiving \$17 million a year from AID, lost its grant in 1985. And now its American affiliate, Planned Parenthood Federation of America, whose five-year contract with AID will expire next month, is scheduled to be cut off as well. PPFA is AID's largest grant recipient in the family planning field. It operates more than 100 family planning and maternal and child health programs in 36 countries. None of the money is used for abortion services of any kind, but because PPFA works with indigenous health and family planning groups in many countries where abortion is legal, it cannot guarantee that ultimate subcontractors will not use their own money for those services. Planned Parenthood has challenged the Mexico City policy in court, but litigation is in the early stages and there is little chance that significant progress will be made by Dec. 31.

What happens if PPFA is dropped from the foreign aid program? AID asserts that its grant money will simply be reprogrammed for population work by other organizations. Even if that happens, this important work will be disrupted. Trained and experienced personnel will be lost. A study done at the University of Michigan School of Public Health estimates that it will take about three years for all the services now provided through PPFA to be replaced. During that time, researchers estimate, there will be 311,000 additional births, 1,177 more maternal deaths and 69,000 additional induced abortions. The Mexico City policy is shortsighted, counterproductive and heartless. If AID doesn't reverse it, Congress should.

—THE WASHINGTON POST

Progress in El Salvador

Two brave experiments are under way in El Salvador, the bloodiest and most fragmented of the countries engaged in the Central American peace effort. Putting their skins at risk, a pair of exiled leftists have returned to test the reality of reconciliation. With matching boldness, no doubt to upstage his rivals, President José Napoleón Duarte is at last holding the violent right accountable for the 1980 murder of Archbishop Oscar Arnulfo Romero.

It is of critical importance to the Central American peace process that the two returning rebels be able to operate in freedom, and that Mr. Duarte bring the right-wing killers to justice. Mr. Duarte and other democrats in the region are riding a wave of hope for the peace plan. It calls for phased cease-fires, amnesties, democratization and reconciliation. It was progress under this plan that emboldened two civilian leaders of the Salvadoran rebels, Rubén Zamora and Guillermo Ungo, to see if campaigning was feasible amid a civil war. Assuming they stay — and stay alive — the result will be to open a democratic alternative on the left, putting Mr. Duarte at the center where he belongs.

The exiles had no sooner returned and begun assailing President Duarte than he was emboldened to turn on Roberto Aduar, the right-winger who almost defeat-

ed him in a 1982 election. Mr. Duarte says fresh testimony establishes that Mr. Aduar plotted the archbishop's murder in partnership with an army officer. Nobody will gasp with surprise at this allegation, now denied, against the rabble-rousing idol of the death squads and the oligarchs who support them. But the old order is changing when a civilian president challenges them. Said to save, Salvadoran courts have yet to convict a single officer for human rights crimes.

"Fragile" is the adjective invariably attached to El Salvador's quasi-democracy. Mr. Duarte is a democrat, but his country labors under a triple handicap: no civilian command of the generals, no genuine democratic alternative to Mr. Duarte's rule and no central government control of a third of the country, held by left-wing rebels. The president hangs on owes much to his bipartisan support in Washington. The military may dislike and ignore him, but it understands that deposing Mr. Duarte would jeopardize \$500 million in yearly U.S. aid that keeps a foundering economy from collapse.

Meantime, influenced by the example of El Salvador's leftists, two civilian leaders of the Nicaraguan rebels are demanding a secure return to Managua. When these voyagers become a matter of course, peace will indeed be breaking out.

—THE DAILY TELEGRAPH

Other Comment

Resignation in Europe

The news that the superpowers have completed the negotiations for an INF treaty was expected but is nonetheless welcome in Washington and Moscow. The governments of Western Europe are resigned to the treaty, rather than enthusiastic about it. They remain unconvinced that it has not granted the Russians a gratuitous strategic advantage. They perceive that their own difficulties are increased by the need to achieve either politically unpopular nuclear reinforcements or financially costly conventional ones to maintain the military balance in the wake of the INF withdrawal.

They fear that the INF treaty will prove only the forerunner of more dramatic nuclear disarmament or even conventional force reduction treaties between Moscow and Washington, which will increase the military disadvantage under which Western Europe already lies and further weaken the Atlantic alliance.

—THE DAILY TELEGRAPH (London)

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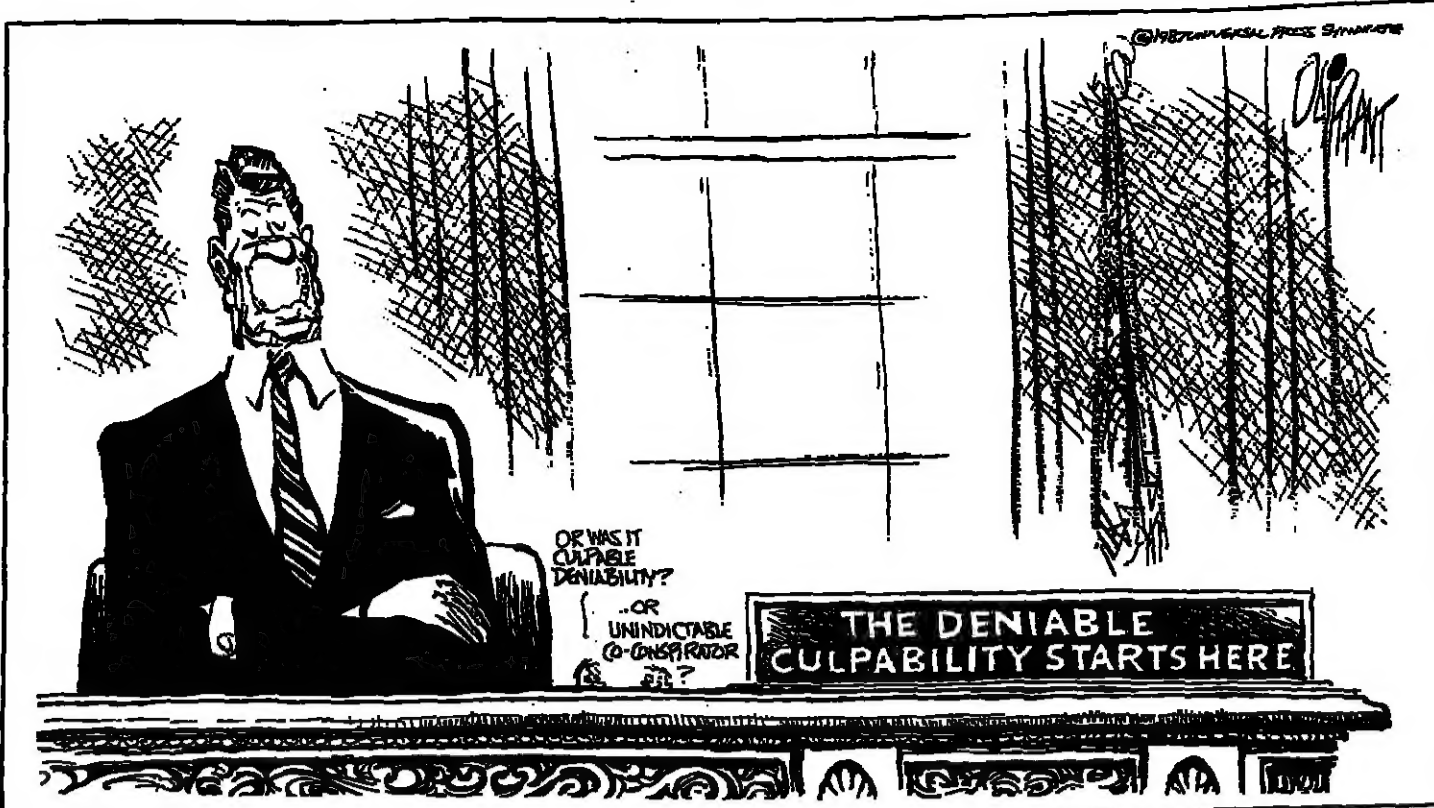
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Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 0511. Tel: 472-7768. Telex: RS56928 Managing Dir. Asia: Malcolm Glen, 50 Gloucester Road, Hong Kong. Tel: 5-8610616. Telex: 61170 Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2. Tel: 836-4802. Telex: 260009 Gen. Mgr. W. Germany: W. Lamberach, Friedrichstr. 15, 10020 Frankfurt/M. Tel: (069) 726733. Telex: 416721 Pres. U.S.: Michael Conroy, 280 Third Ave., New York, N.Y. 10022. Tel: (212) 733-3800. Telex: 47173 S.A. capital of 1,300,000 F. RCS Nanterre B 133021124. Commission Paritaire No. 61337 © 1987, International Herald Tribune. All rights reserved. ISSN: 0241-8052.

OPINION



An Unusual Bank Elevates the Poor in Bangladesh

By Jonathan Power

RANGPUR, Bangladesh — Away from the intrigue of Dhaka, with its street battles, armed police and brigades of international journalists, something quite wonderful is happening in Bangladesh.

We are sitting in the shade of a mango tree in the north, not far from the Himalayan foothills. Rice paddies stretch into the distance in many tones of green. It is early, but villagers, stooping into the floodwaters, are working hard, weeding, sowing and fishing. Bangladesh is not the poorest country in Asia for want of hard work. Merely to survive the heat, flood and disease is a constant struggle.

I am with Muhammad Huq, the deputy director of the Grameen Bank, probably the most adventurous and innovative bank in the Third World. He is a former senior research fellow at the University of Oxford who now earns \$200 a month. He explains the bank's philosophy: If someone is alive, he must have a skill; if he has a skill, he should be given a loan; with a loan, he can make money. Mr. Huq and Muhammad Yunus, formerly of the University of Chittagong, have radically changed the lives of 300,000 people at the bottom of Bangladesh's lopsided income pile.

All over the Third World, govern-

ments and aid agencies offer loans and agricultural advice. But they almost invariably give to those with land, some education and know-how. The Grameen Bank shuns this approach. Only the very poor, who often own little more than what they wear, qualify for its credit.

The loans are small — \$100 maximum — but enough to buy a cow, a time maker, a rickshaw cart, potter's or blacksmith's tools, simple equipment to process betel nuts, spices or mustard, or for working bamboo, making brooms or weaving cloth.

Twelve years on, 98 percent of the loans have been repaid, and some borrowers are on their seventh loan. The bank has become so popular that it gets 10,000 new borrowers a month.

Three-fourths of those now taking loans are women. Mr. Yunus and Mr. Huq found that not only were the women the poorest of the poor — they eat only after their children and husbands — they also were the most responsible. Bangladeshi women know how to save and instinctively eschew consumption in favor of investment.

The secret of the bank's success is attention to detail. Each office is responsible for 50 to 60 villages, all

within walking distance. Each branch manager is responsible for borrowers making weekly payments. No one is allowed to fall into serious arrears, and repayments thus can be quickly recycled to new borrowers.

The bank works hard to implant an ethos of responsibility. Anyone who wants a loan must participate in a seven-day training program to learn how the bank works. No one gets a loan until a village group is formed. At first only two people are eligible for a loan, and they must be nominated by others in the group. Only after they are repaying their loans regularly are others in the group eligible for loans.

Grameen members are obliged to build latrines, boil drinking water, use contraceptives and refuse to participate in the traditional giving or taking of dowry, which over the centuries has ruined countless families.

The bank has altered the power balance in the villages, as landowners and money lenders have seen their influence lessened. Grameen members are taught to be diplomatic and have been able to minimize resentment. Besides, this is social change without land reform, and so is less threatening to the "haves." If a member wants

land, he must buy it the normal way.

Grameen's start-up funds came partly from the government and partly from the International Fund for Agricultural Development. Money for ancillary social and health programs has come from UNICEF. But day to day activities, including all current loans, are financed by the members.

Grameen recently refused \$200 million from the World Bank that would have allowed it quickly to expand throughout Bangladesh. Mr. Yunus believes in natural growth. If the bank grew too fast, its standards would slip and it would collapse. Charity in the name of credit, says Mr. Yunus, will destroy, not help the poor. He argues against those aid agencies that seem anxious to throw money at a winner.

The Grameen Bank is a winner. But it has become so mainly by mobilizing its members. Only one-fourth of its aid is from the outside.

Mr. Yunus contends that to say that banking cannot be done with the poor because they do not have collateral is like arguing that men cannot fly because they do not have wings. By believing in the poor, he has turned conventional thinking on its head. He gives people wings.

International Herald Tribune
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Proliferation: What About Israel, France, Norway?

By Gary Milhollin

WASHINGTON — For nearly 30 years, countries have sold nuclear materials around the world with the requirements that the importing countries promise to use them for peaceful purposes and permit on-site inspection. Those two pledges are the main barrier between civil and military use of the atom.

It now appears that Israel has broken the peaceful use pledge, that France may have broken it and that the civilian exports of Norway, possibly made without the pledge, have gone freely into bombs. With this, the entire framework of nonproliferation seems threatened.

Israel admits that for more than 20 years it has been making plutonium in its Dimona reactor with heavy water imported from Norway. Heavy water, deuterium oxide, is essential to the manufacture of plutonium and tritium, the nuclear weapon materials.

Israel had promised to restrict the plutonium to peaceful use and to allow international inspections of plutonium made with Norway's heavy water. According to the CIA, however, Israel is using the heavy water to make bombs. And Israel refused to allow any on-site inspections.

Israel may also have made plutonium by using heavy water imported from the United States under similar pledges. Washington admits that

heavy water sent to Dimona was not inspected for the first 17 years after it was exported. Moreover, Washington has not asked for the kind of inspection that would show what the water was used for.

France established and continues to build its thermonuclear arsenal with tritium made with heavy water from Norway. It gave Norway certificates stating the "end use" of each heavy water shipment. Norway will not reveal what the certificates say. If they do not require peaceful use, Norway has deliberately helped France make the hydrogen bomb. If they do require it, France has broken the peaceful use pledge.

Neither world security nor the nuclear export trade can accept such a breakdown in nuclear protocol. The nonproliferation treaty and every other effort to combat proliferation since the 1960s assume that the peaceful use and inspection pledges will be kept. To preserve the credibility of their policies against proliferation, Norway and the United States must now enforce their rights.

Under terms of the export agreements, both Norway and the United States have the right to conduct inspections in Israel to assure that the heavy water is and has been used for peaceful

purposes. If Israel refuses, both would have the right to withdraw the heavy water summarily. Norway can also demand assurances that France has used its heavy water in peaceful applications.

All these rights are clear. Enforcing them would slow the spread of the bomb. They are nondiscriminatory and do not raise regional issues. They are the one sure way to deal with proliferation.

Why aren't they used? Why won't the U.S. State Department, perpetually in search of something to do about proliferation, inspect its heavy water in Israel? Why won't it ask Israel to honor Norway's rights? Why won't Norway disclose and enforce whatever rights it has in France? The answer seems to be that the United States endorses Israel's bomb, Norway endorses France's bomb and both America and Norway value smooth relations with their allies above nonproliferation.

World attention will soon focus on the superpower summit meeting, where a minor arms control pact will be signed. In the rest of the world, which is less stable, countries will continue to make bombs. Perhaps it is time to shift our gaze and watch the risks that count.

The writer is professor of law at the University of Wisconsin. This article was adapted for The New York Times from a longer version in Foreign Policy.

Ordinary Politics Won't Yield Sane Budget Policy

By Robert J. Samuelson

WASHINGTON — You could not watch the murky budget negotiations of the pay increase and dismay. They recall what Lord Palmerston once said of a fine point of European politics: "Only three men have ever understood it. One was Prince Albert, who is dead. The second was a German professor, who became mad. I am the third, and I have forgotten all about it."

The American budget process is shrouded in a deep and deliberate obscurity. No one expects you to follow the debate. No one wants you to. Congress and the White House want to be seen pursuing the twin thought-opposed goals of reducing the deficits while protecting constituents from tax increases or spending cuts.

The players instinctively promote confusion and boredom. The negotiations are endless, the compromises complex and the procedures mysterious. The whole point is to convey the impression that things are being done that, in fact, are not being done — or to conceal genuine changes. Budget packages are splintered into so many small pieces that the details are overwhelming. The sequence of decision-making has so many stages that it is never clear whether today's action affirms or reverses yesterday's.

The smog is thickened by accounting gimmicks. In the 1987 budget, the deficit was "cut" \$2 billion by delaying the mailing of monthly military paychecks until after the start of fiscal 1988 (Oct. 1). Yes, there was a rough agreement last week to cut the 1988 deficit by \$30 billion. No, it was not final. Yes, it would contain about \$11 billion of higher revenues. No, the detailed tax increases have not been decided. (They will probably be a hodgepodge of small changes.) Yes, the \$23 billion of Gramm-Rudman-Hollings spending cuts were automatically triggered because the compromise did not meet the Nov. 20 deadline. No, the cuts

probably will not last long because they will be superseded by the negotiated compromise. Got it?

Cutting the budget deficits is not an economic panacea. But it is important. Big deficits do burden future generations. One of every seven dollars of federal spending now pays interest on the debt; that is almost double the level a decade ago. Government faces a constant temptation to inflate its way out of debt. Big budget deficits, by increasing Americans' total spending, also contribute to high U.S. trade deficits.

There is a classic collision between sensible policies and ordinary politics. Decisive action on the budget would represent a critical act of economic diplomacy. It would increase pressure on West Germany and Japan to speed up their economies. There would be less of a stimulus from the huge U.S. trade deficits. But no one in Washington wants to act decisively. Congress and the White House have repeatedly avoided a "grand compromise." They prefer to muddle through with a series of tiny and opaque deals. The aim is to disguise, as well as spread, the pain.

In fairness, two things need to be said of this calculated obscurity. First, politicians are not entirely to blame. The deficits reflect public opinion, which rejects both lower spending and higher taxes. A recent poll by Newsweek found that 77 percent of the public opposes a 10-cent-a-gallon gasoline tax. An NBC-Wall Street Journal poll asked people whether they worried enough about the deficit to pay higher taxes: 59 percent said no. But in other surveys, about 60 percent say government does not spend enough on crime, the environment, health care or education. Big deficits are the easiest escape from this impasse, because their effects — and victims — are unclear.

Second, this approach is not entirely

ly a sham. Without tax increases and spending cuts since 1982, the 1987 budget deficit (\$148 billion) would have been roughly \$200 billion higher.

Congress has halted the Reagan defense buildup. Cutting planned spending increases (with weak countervailing cuts) was easier than cutting existing programs. Contrary to his public posturing, the president has accepted higher taxes. In 1983 the gasoline tax was raised five cents. Social Security taxes have been increased. So have business taxes. The overall tax burden (about 19 percent of GNP) now exceeds the average for the 1970s.

The problem with muddling through is that it is reaching its limits. The federal budget exceeds \$1 trillion. The gap between spending and revenues cannot be finessed forever.

The 1980s have inevitably been an unpleasant period of trying to match appetites and pocketbooks. For half a century, government grew inexorably. By the late 1970s, spending programs were entrenched while tax burdens were unpopular. President Reagan did not create these problems, but he has done little to resolve them.

Government cannot run on public opinion polls. A president's job is to shape public opinion to see the world as it is, not merely as people would like it. But Mr. Reagan has disengaged himself from the messy budget choices, and so the conflicts and fantasies of public opinion remain.

His passivity has been a gift horse to congressional Democrats. It has allowed them the luxury of criticizing his aloofness and spared them the trouble of eliminating unneeded government spending. The irony is that, for all the president's stubbornness on taxes, Congress has been more unyielding on domestic spending.

There is a bipartisan conspiracy of silence. No one wants to talk about trim-cut choices. Everyone prefers to claim all programs a little, preserving

the bad and penalizing the good. One perverse result is to magnify in the public mind the severity of needed change. If no one dares talk about them, they must be awful, Right?

Wrong. Some programs should be eliminated. Some taxes should be modified slightly. But a wise combination would not be crushing. The republic can survive without Amtrak.

Inaction and silence fan public anxieties. Therein lies the paradox. The consensus in Washington today is to delay making the toughest choices. But all the solicitude for public opinion ultimately backfires. It generates cynicism, because government can't govern, can't make difficult social choices. That is not obscure at all.

The Washington Post

100, 75 AND 50 YEARS AGO

1887: Excess of Virtue

PARIS — [The Herald says:] Anthony Comstock is, on the whole, a pretty good sort of fellow, but you can never tell when he is going to organize a circus. When he pounces on literature and pictures which are obscene because they were intended to pamper the bestial appetites, this is a very commendable thing. In a great city like New York they need a respectable man for selling photographs of celebrated paintings, the originals of which are hung in the Paris Salon, because the figures have not high neck dresses on, he drops from the trapeze to the clown. If there are to be no nude figures in art, the painters of canvas had better take to whitewashing fences.

1912: Rail Settlement

NEW YORK — Approximately 30,000 engine-drivers on all the Eastern railroads gained a partial victory

A Wanderer Moslems Don't Need

By Jim Hoagland

PARIS — His Excellency General Mohammed Zia ul-Haq, the retired dictator of Pakistan, is hosting His Excellency Kurt Waldheim, the former President of Austria, this week in a meeting that deserves diplomacy's equivalent of an X-rating.

Mr. Waldheim's insensitivity was world-class long before he returned to Austria to get himself elected as figurehead president. In clinging so tenaciously to the trappings of office and the "duty" of representing Austria abroad, he has become Master of the Universe in this category.

He will go anywhere he can get himself invited. His motivation at least is clear. Less easy to understand is the reasoning of the Moslem leaders who line up to invite him. They are all apparently oblivious to the heavy costs involved for them in playing Mr. Waldheim's game.

By hosting the former Nazi soldier whose falsifications about his whereabouts and duties during World War II have been so easily punctured, General Zia undermines his own claims that his violent denunciations of Israel are totally free of anti-Semitism.

Similar protestations by the other Moslem leaders whom President Waldheim's office lists as having extended invitations for a visit by the former United Nations secretary-general are also made more suspect.

However they may view the merits of the controversy surrounding his wartime careerism, these Moslem leaders cannot escape the symbolic dimension it has now assumed. A visit from Mr. Waldheim to any of them is a needless gesture that can only widen the gulf between the Moslem world and Jews in Israel and elsewhere.

The welcome mats have been rolled out in Jordan, which Mr. Waldheim visited in July, and offered for the future by Egypt, Syria, Iraq, the United Arab Emirates, Libya and Iran, along with Uganda. Mr. Waldheim's office says:

That host list can only heighten attitudes and increase suspicions where there is already a surfeit. Even Egypt, the only Arab country to have signed a peace treaty with Israel, treats with Mr. Waldheim as if he were just another exonerated.

Such indifference provides ammunition for those who argue that there is a bedrock of religious animosity in Islam toward Jews that will always prevent Arab countries from accepting genuine peace with Israel.

But it does much more than that. It renders hollow the arguments of these rulers that they oppose Israel only because of Zionism's expansionism and lawlessness, and not because it is a nation of Jews.

Most fundamentally, it discounts the moral position the Arabs have always taken in asking Americans and Europeans what is for them a logical and overriding question: "Why us?" Why was Palestine taken from the Arabs to create the Jewish home originally promised by the Balfour Declaration issued 70 years ago this month? Moreover, Europeans, not Arabs, visited the tragedy of the Holocaust on the Jews.

The argument is expressed eloquently by George Antonius in his book "The Arab Awakening" when he writes: "The relief of Jewish distress may not be accomplished at the cost of inflicting a corresponding distress upon an innocent and peaceful population." The Moslem embrace of Mr. Waldheim, seemingly ignoring his role in rekindling the fears and shadows of the Nazi years for many Jews, does incalculable damage to such sentiments by establishing a sinister historical reference that links the Holocaust to unmitigated opposition to Israel.

General Zia's reception of Mr. Waldheim contains none of the symbolism of the possibility of forgiveness that was implicit in Pope John Paul II's decision to receive Mr. Waldheim last June. The pope's failure to confront Mr. Waldheim publicly about his lack of repentment was deeply disappointing to those of us who expected such action. But his strong moral authority stands in such stark contrast to Mr. Waldheim's attitudes that the meeting was still a powerful, and useful, symbol.

The feting of Mr. Waldheim by countries involved in open conflict with Israel is as offensive as it would be for West Germany to shower him with *Gemülichkeit*. Bonn has understood this moral imperative and has turned aside Mr. Waldheim's repeated expressions of interest in an exchange of state visits.

It is only one of many welcome mats that should stay tightly furled.

The Washington Post

in their wage demands under the award announced [on Nov. 24] by the Arbitration Board. The general advance, however, is but the minimum rate of the scale established. It is estimated that the increase of wages will cost the railways \$3 million. This decision is considered as the most important in any labor dispute since the hard-coal strike of 1902.

1937: MacDonald Rites

LONDON — Thousands of dock workers at Plymouth today [Nov. 25] stood in silence while the body of Ramsay MacDonald, former prime minister, was brought ashore from the cruiser Apollo, which had carried it from Bermuda, following Mr. MacDonald's death [on Nov. 9 at age 71] during a vacation cruise. All flags were at half-mast in the city while the coffin was brought ashore. Tomorrow special services will be held at Westminster Abbey. Mr. MacDonald's ashes will be taken to his Scottish home, The Hillslocks.

OPINION

Japan Is on the Right Side,
But Chinese Are More Fun

By William Safire

TOKYO — A traveler gets strikingly different impressions of the capital cities of China and Japan.

In Beijing, a hustling driver of a gypsy cab accosts you with "Ten dollars to hotel?" and the young entrepreneur whisks you there in 20 minutes along a tree-lined boulevard. In Tokyo, a surly cabbie plods through an hour and a half of traffic and dreary industrial pollution to greet you at your destination with the bad news about the fare: 21,000 yen, or over \$150.

China is more fun. The Chinese smile seems more sincere, the atmosphere in Chinese stores and restaurants is more civilized and less frenetic. Japanese eco-imperialists, smug behind their ramparts of protection, are often openly contempt-

uous of an America unshamed of its high standard of living. I enjoy Beijing and am depressed by Tokyo. Yet a cognitive dissonance jangles in my head: China is a Communist dictatorship, while Japan is a democracy. The likable Chinese live in a society that cruelly represses the natural yearning for human liberty, while the driven Japanese freely criticize their leaders, vote in real elections and are on Our Side in the world lineup. Freedom should place a decisive thumb on the scale of values; what, then, is turning me into a card-carrying Japan-basher?

In the Japanese system, the government protects the big companies, and those combines are in bed with the government.

"Although the wave is high," cautions Ambassador Mike Mansfield, "you don't condemn the sea." At 84, the former Senate majority leader is as clear-minded and anti-pretentious as ever; if there are a handful of "great Americans," the envoy to Japan surely ranks as one. His metaphor cannot be indigenous to his landlocked Montana; it must be a proverb he picked up over here, to suggest that both Japanese and Americans set aside transitory waves of resentment to coexist in the

sea of competition and strategic defense. The Japanese do not deserve this wise and even-tempered man. America's next ambassador will likely be more harshly confrontational, and the Japanese will rue the day they did not make full use of a friend like Mr. Mansfield.

That is because Americans are coming to realize that competition cannot be "fair" between wholly different systems of capitalism. For example, the Japanese are growing that their stock exchange stopped the panic that started in Wall Street, and predict that the world's financial center will soon be here.

In that regard, Americans ask themselves: How come the Japanese market has fallen only 20 percent when ours has fallen about 30, especially when the price-earnings multiples of American companies are so much lower than comparable Japanese companies? Shouldn't their plunge have been much worse?

The answer is yes, all things being equal. What is unequal is government involvement in private enterprise: in Tokyo, officials put the heat on major institutional investors to maintain the prices of shares—in effect, to rig the market to ease the discipline of correction.

That is typical of Japan's system: The government protects the big companies, and those combines are in bed with the government. Such is their way; but now that the interdependent financial world never sleeps, you can compete only by changing over to their monopolistic way, or by getting them to change to yours, or by agreeing to a third way that prevents any country from having an edge.

How do you induce the Japanese, past masters at lip service, to agree to that third way? The answer is to create points of pressure that will permit Japan's politicians to present their constituencies with dire choices. Japanese tourists bring home rice in their baggage because the farm lobby in Japan forces the rice price to five times world levels. Public construction's cost is inflated because the political parties are in cahoots with the builders to keep out foreign competition.

The way to break this anti-consumer lobby is to pit one Japanese interest group against another, by getting serious in threats to pass automatic punitive legislation in the United States. American fears of "risking a trade war" are irrelevant because America is already losing the trade war.

The trick is to do this with saddened faces, without rancor, because Japan is on Our Side. Democratic allies are destined to work together to meet the growing Soviet threat in the Pacific. That is why, as Americans get tough in breaking the wave of unequal competition, they must never, or hardly ever, condemn the sea.

The New York Times.



'This trip is important, so take a bus. There won't be time to fly.'

Save the Men's Barber, East and West

By Roderick MacLean

SINGAPORE — While the World Wildlife Fund and other worthy bodies do a good job on behalf of our flora and fauna, who cares for the fast vanishing breed of the men's barber?

In earlier times, the barber's trade had many aspects: surgery, bloodletting, matchmaking, a spot of pimping, some body-snatching. However, since the days of Sweeney Todd, the demon barber of Fleet Street in London, exponents of tonsorial artistry have generally been eminently respectable, even dull.

As a boy in Wales, my earliest recollection of haircutting was Mr. Hopkins's shop in Llandaff. The price for children was six pence. I watched fascinated while elderly customers were lathered up and shaved with a cut-throat razor.

We spent our holidays on the Gower peninsula in Wales. Haircuts there were administered, pudding-basin-style, by the village blacksmith or the local handyman, a smallholder called Tom Hunt. His trims only cost four pence, perhaps because no one could understand his broad Somerset dialect.

At boarding school in England we had a full-time barber. Visits to his shop were scheduled with such clockwork rigour as would have done credit to a modern productivity expert. Woe unto those who became too engrossed in Latin or maths and missed their rostered time.

When I joined the British army as a recruit, short-back-and-sides was an absolute and well-enforced rule. On parade, deviants from this norm were liable to the wrath of a sergeant-major.

With a bellow that would have done credit to one of the bulls of Bashan, he would snarl: "Am I hurting you? I ought to be, because I'm standing on your hair! Get your hair cut, soldier!"

After I became an officer things improved. Regiments of the British army in India had their own barbers. They could shave you while you were still asleep, although I did not believe that until I actually experienced it.

After World War II, getting a haircut in England was more difficult, and much

MEANWHILE

more expensive than before. The better outfits would only accept you by appointment. The thinning ranks of gent's hairdressers were finally reinforced by women barbers. At least that solved one problem, barbers' chitchat.

From many years of haircuts in the Orient, I would give pride of place to Shanghai Hairdressers opposite MacDonald House on Orchard Road in Singapore. On arrival, a customer would be offered a tin of cigarettes and a soft drink by a uniformed apprentice.

When I did a spell in the Cocos Islands in the Indian Ocean, the nearest barbershop was at least 500 miles away. Fortunately, John Chiles Ross, who controlled the islands at that time, had a manservant, Sallah, who had somewhere learned at least some of the art of hair-

cutting and for a duty-free tin of cigarettes, the unofficial currency, could trim quite adequately.

As for my time in Kelantan and Sabah in Malaysia, the less said about their barbers the better.

Back in Singapore, I found to my dismay that the premises of the Shanghai Hairdressers on Orchard Road had become part of an oriental carpet shop. For some time I relied on the highly efficient Indian barbers in the old Arcade on the waterfront, but when the barbers disappeared, I transferred my patronage to hairdressers in a new high-rise building, but soon the building's shops gave way to offices.

What I hope may be my final refuge is a barbershop in Raffles Hotel. However, the staff are not exactly young and no one seems to want to learn the trade. Perhaps Singapore's Tourist Promotion Board should list all the remaining men's hairdressers before an endangered species becomes extinct. A system of starred gradings might give a boost to this skilled craft.

If my refuge at Raffles goes, God forbid, I might have to relent and try a unisex salon. Unless, of course, the problem resolves itself by what the trade calls "a receding hairline."

The writer, a Scot who has spent 43 years in Asia, is executive director of the Singapore International Chamber of Commerce. He contributed this lament to the International Herald Tribune.

LETTERS TO THE EDITOR

Austria: Yes, Anti-Semitism Remains a Public Problem

No serious foreign journalist or politician would say that Austria is an "island of unrepentant Nazis and incorrigible anti-Semites." So Paul Lendavi's appeal, "Stop Smearing the Austrians" (Nov. 20), is highly demagogic. Mr. Lendavi, as a state employee, has tried to show the sunny side of Austria. Let an Austrian Jewish journalist revise the picture.

In no other free country is anti-Semitism used by politicians of major parties openly. The election campaigns of 1986 were characterized by an appeal to anti-Semitic sentiment. Michael Graff, the former general secretary of the conservative People's Party (ÖVP), finally had to resign not because of his history of blas-

About a Recent Column:

Jim Hoagland writes: Several readers have kindly pointed out that I failed to make one thing completely clear in "How to Sell Continental Breakfast" (Nov. 23), and that was my admiration for Nabucco, the originator of Malted Shredies, for being one U.S. company that has adapted to the multinational marketing game.

tant anti-Semitic statements but because of the damage to his party's image abroad. Deputy Mayor Carl Hödl of Linz, Austria's third largest city, wrote an outrageously anti-Semitic letter on May 12 to Edgar M. Bronfman, president of the World Jewish Congress, and has been tolerated and defended by his party, the ÖVP; he will not resign until January.

A substantial part of our printed media is openly or indirectly anti-Semitic. Maximilian Gotschlich, a professor at Vienna University, recently published a study on this subject. The Neue Kronen-Zeitung, a newspaper read by half of Austrians on Sundays and by a third on weekdays, has, according to Mr. Gotschlich, an "anti-Semitic line." This would not be possible in any other democratic society.

Austria prefers former members of the SS to Jewish citizens where pensions are concerned. Consider an Austrian born in 1928 who voluntarily joined the SS in 1944, was convicted abroad for his crimes and returned to Austria in 1951. Another Austrian, also born in 1928, had to flee Austria in 1938 because he was Jewish. He also returned in 1951. Under Austrian law, the former SS crim-

inal gets the whole time between 1944 and 1951 credited for his pension, while the Austrian Jew does not get one day of pension credit for the same period.

Anyone who wants to improve Austria's image abroad should start to change the situation in Austria and not blame foreign and Austrian newspapers for showing Austria as it is.

KARL PFEIFER,
Vienna.

The writer is editor of Die Gemeinde, a monthly publication of the Jewish community in Vienna. He expresses himself in this letter in a personal capacity.

Growth in the Netherlands

I have one criticism of Giles Merritt's informative report "Austere Years Bring Some Signs of Relief," which appeared in your special report on the Netherlands (Nov. 2). Contrary to his statement that "growth has understandably been the chief victim of the Rüdiger austerity drive" because "since 1982 it has averaged only 1.9 percent a year, against an EC average of 2.2 percent," the latest performance figures published by the Dutch Central Bureau of Statistics show that in the years 1983 to 1986 the Dutch

growth rate averaged 2.4 percent. That is about 0.2 points above the average growth rate of 2.2 percent in the Community during that period.

J.H. WEEDA,
The Hague.

The writer is senior press officer in the office of Finance Minister H. Onno Ruding.

One Practical Response

We read that to run as a conservative candidate for office in America one needs to be strongly against birth control. ("Mishave Property and Be Fervent Later," Nov. 13, by Ellen Goodman.) But what about the millions of innocent children (they are not responsible for their existence) who cannot eat, who suffer endless hunger and malnutrition? To have experienced hunger for a short time during World War II makes one appreciate how terrible it is.

Do we really need more children in desert or semi-arid areas where droughts of as long as five years have occurred? A feasible birth spacing program that encourages breast-feeding is the only practical response at government levels.

CLAUDE PAQUE, M.D.,
Rabat, Morocco.

Marriages of Convenience?

News reports about marriages between Soviet and U.S. or other Western citizens focus on problems the couples have because Soviet authorities deny the Soviet spouses permission to emigrate. If these are real marriages, not nominal ones, if those women and men love each other and if they want to live together, then why don't the Westerners consider living in the Soviet Union? Why do Westerners think that remitting families is a one-way street?

G.P. PETO,
Budapest.

One Looks Ridiculous

In response to Herbert Maza's letter to the editor (Oct. 27) asking how many buttons there should be on a blazer sleeve: One button looks ridiculous, two are acceptable for a conservative dresser (but they generally give the impression that the wearer has lost a button somewhere), three are ideal, and four look best on a double-breasted blazer.

KAREN KENADY,
Florence.

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Thema L.e. - 2000 cm³, 120HP, 196 kph, 0-100 kph in 9.7 sec.

Thema turbo di - 2500 cm³, 100HP, 185 kph, 0-100 kph in 11.9 sec.
Thema SW L.e. turbo - 2000 cm³, 165HP, 210 kph, 0-100 kph in 8 sec.

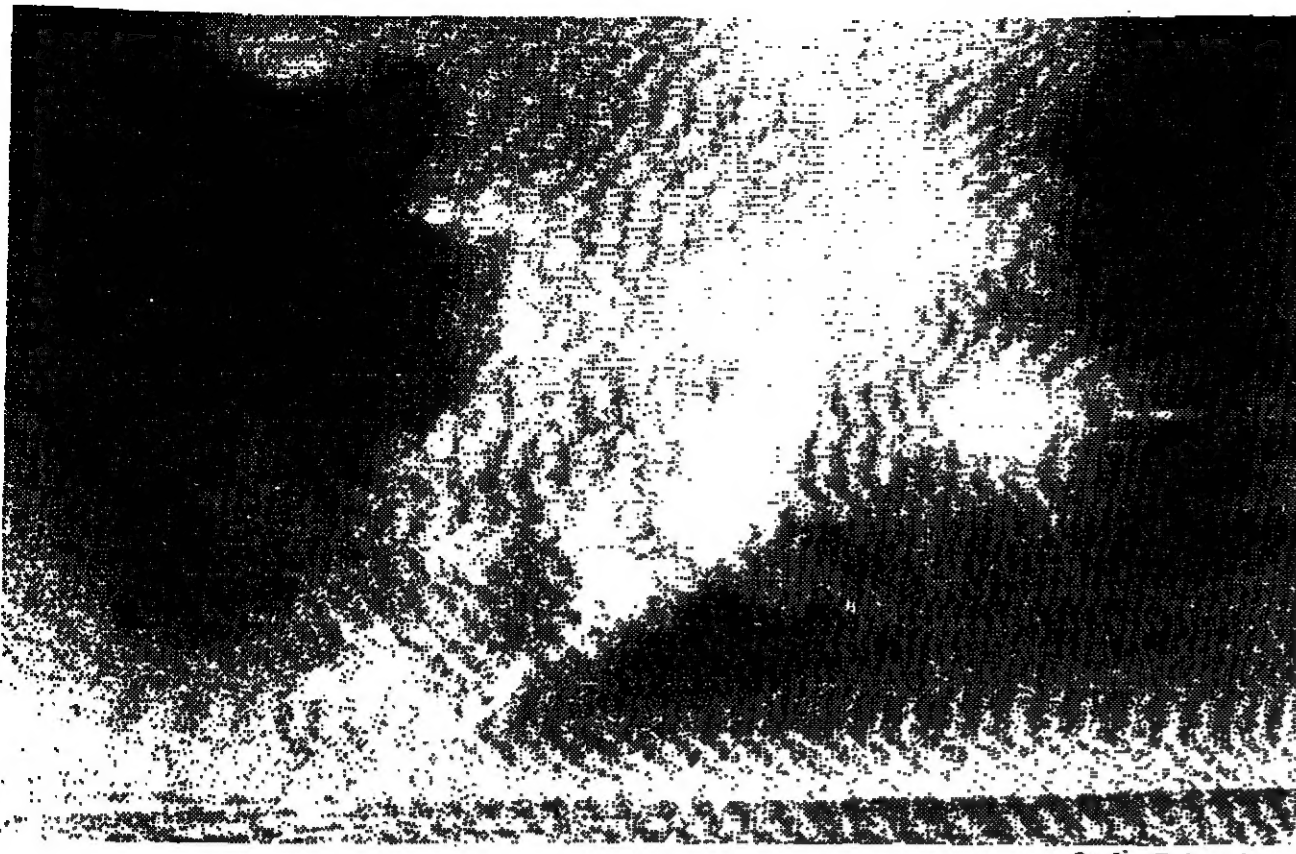
Thema 6V - 2850 cm³, 180HP, 206 kph, 0-100 kph in 8.8 sec.
Thema SW turbo di - 2500 cm³, 100HP, 180 kph, 0-100 kph in 12.7 sec.

Versions may change from country to country.

Lancia Thema



جوليا لانسيا



Smoke soaring above the desert in Utah as the U.S. Army incinerated two stages of a Pershing 2 rocket in a test of its ability to comply with the anticipated U.S.-Soviet treaty to eliminate medium- and shorter-range nuclear missiles.

U.S. Plans Test of Space Weapon in 1990s

By David E. Sanger

LITTLETON, Colorado — Defense Department officials say they plan to conduct the first test of a laser weapon in space in the early 1990s, as part of one of the costliest and probably most disputed experiments in the Reagan administration's effort to build a defense against nuclear missiles.

The test, code-named Zenith Star, was described as President Ronald Reagan's tour of duty in the Rocky Mountains. At the plant, some of the most advanced work is under way on the Strategic Defense Initiative, known informally as "star wars."

Although the experiment will not take place for at least three years — the time required to build the chemical laser and mirrors and

launch them into orbit — the announcement on Tuesday was widely seen as an effort to answer critics who maintain that the program is falling short of the goals that Mr. Reagan set out for it four years ago.

The experiment could be canceled if the next president opposes the program or favors other technologies.

Some experts, both in and out of the government, have contended that the experiment would violate the Anti-Ballistic Missile Treaty of 1972, whether the treaty is interpreted narrowly or broadly. Defense Department officials said Tuesday that they were designing the experiment to be "treaty compliant," but they added that to do so they would have to leave key capabilities untested.

In providing some details of the largely secret project, Reagan administration officials said they

were underscoring the president's determination to proceed quickly with SDI projects despite budget cuts and the meeting next month with Mikhail S. Gorbachev, the Soviet leader, who has vehemently opposed U.S. development of the anti-missile system.

"You are not working to build a bargaining chip," Mr. Reagan told Martin Marietta employees as he stood in front of a giant mock-up of a Zenith Star craft on a factory floor. "It will not be traded away."

In the last year, the program has increasingly focused on "kinetic energy weapons," small, ground- and space-launched projectiles that would destroy warheads by collision.

Zenith Star, in contrast, would be the first attempt to test the kind of weapons that are most commonly associated with "star wars": la-

zers that hit warheads at the speed of light and destroy them. In the Zenith Star experiment, a hydrogen-fluoride chemical laser, now under construction by TRW at its Capistrano test site in California, would be sent aloft. The laser would be encased in a satellite with a movable mirror that is nearing completion by the Itek Corp., a subsidiary of Litton Industries.

The laser beam, generated by chemical reaction, would be aimed at the mirror. The mirror would focus the beam, then direct it at a target.

The test faces numerous technical hurdles. It must direct a beam about the diameter of a softball on a moving target about 60 miles (97 kilometers) away. The beam would have to be held there for 2 to 3 seconds, the amount of time it takes for a laser to destroy a booster segment.

NATO Deployments Led to INF Treaty

New York Times Service

GENEVA — The groundwork for the impending treaty to eliminate U.S. and Soviet medium- and shorter-range nuclear missiles was laid in 1979, when NATO decided to deploy new U.S. missiles and open arms talks.

At the time, virtually nobody expected it would lead to a total ban on these missiles, with ranges of 300 to 3,400 miles (500 to 5,500 kilometers).

For one thing, it was a truism at the time that arms-control treaties ratified the existing balance of

power. The Soviet Union had never been kept. However, the Soviets have agreed to take steps for the first three years of the treaty to assist U.S. monitoring of these bases by spy satellites.

Other types of inspections would involve an initial census to determine the accuracy of data provided on the forces of each side. After missiles have been removed from bases by each side, there would be close-out inspections to make sure the missiles were really gone.

The first American step toward the new treaty was taken in 1981, when Mr. Reagan proposed his "zero option" plan to ban all U.S.

and Soviet medium-range missiles. U.S. officials later suggested various proposals that basically set equal limits on U.S. and Soviet forces.

The fundamental Soviet goal was to prevent the deployment of new U.S. missiles. Possessing a monopoly on medium-range missiles, Moscow firmly rejected the "zero option" plan. It suggested a number of proposals that would have blocked the deployment of new U.S. weapons.

When the deployment of Pershing-2s and cruise missiles began

in 1983, Moscow walked out of the arms talks.

But this Soviet approach proved to be heavy-handed and counterproductive. Analysts said it painted Moscow as obstructionist and took the pressure off Washington to make concessions.

Under Mr. Gorbachev, the Soviet Union has appeared to pursue the same basic objective — eliminating the American missiles — but has adopted different tactics. It accepted the "zero option" plan and upped the ante by proposing that shorter-range missiles also be banned.

How NBC Won a Coveted Interview

By Dennis Hevesi

New York Times Service

NEW YORK — Tom Brokaw, the NBC anchorman, said Tuesday that Soviet officials had been telling his network for two years that it was "at the head of the list" in the quest by American networks for a one-on-one interview with the Soviet leader, Mikhail S. Gorbachev.

NBC announced this week that Mr. Gorbachev had agreed to be interviewed by Mr. Brokaw in Moscow for a one-hour program to be broadcast at 8 P.M. Monday, one week before Mr. Gorbachev is scheduled to arrive in the United States for meetings with President Ronald Reagan beginning Dec. 7.

Mr. Brokaw said he found it strange that CBS had contended it was denied the interview because of tough questions that Dan Rather put to Mr. Gorbachev at a press conference in Paris in 1985. "I don't know what they were told by the Soviets," Mr. Brokaw said of the CBS contention. "We were told from day one that we were the network of choice."

Mr. Rather declined to comment Tuesday.

A CBS official, who did not want to be identified, said Tuesday that the network's Moscow bureau chief, Wyatt Andrews, had been told by a Soviet official: "In a rough translation from Russian, 'It will be a warm day in Siberia' before CBS or Dan Rather receives a one-on-one with Gorbachev."

Mr. Brokaw said NBC had won the interview "the old-fashioned way: We earned it." "Shortly after Gorbachev took power," he said, "we started an orchestrated campaign to get this interview, and we worked with a variety of very substantial people in the Foreign Ministry and within Gorbachev's orbit."

He said that Gordon Manning, a consultant who recently retired as an NBC vice president, "wrote a variety of letters to all of the appropriate people. And about every six weeks Gordon would come in between 5 and 6 A.M. and get on the phone with the person who became our contact."

At ABC, the executive vice president for news, David W. Burke, said his network was still in conversations with Soviet officials for an interview.

SHULTZ: 'Absolute Uniform' NATO Backing for Pact

(Continued from Page 1)

"We have the result which we sought."

Some Western officials believe that a U.S. failure to ratify the agreement would hand the Soviet Union a propaganda victory.

Under the terms of the treaty, Soviet missiles will be able to inspect bases in Europe where U.S. missiles are kept. The Soviets will be able to carry out the inspections before and after the missiles are eliminated.

The matter of Soviet inspections in Europe has been a sensitive issue for the five NATO nations that agreed in 1979 to take new U.S. missiles.

U.S. officials provided new information about the total number of U.S. and Soviet missiles that would be destroyed under the treaty. Both sides would destroy missiles that are not deployed as well as those that are.

The Soviets have informed the United States that they have a total

of 2,000 such missiles. One thousand are medium-range missiles. One thousand are shorter-range missiles. The two types of missiles carry a total of 3,000 warheads. U.S. officials say the Soviets have not provided a detailed breakdown of where some of their nondeployed medium-range missiles are based.

The United States has a total of 800 medium- and shorter-range missiles. These missiles carry a total of 800 warheads.

Mr. Shultz said en route to Brussels that arrangements had been worked out to provide for inspections while protecting the sovereignty of European nations.

Extensive inspections will also be carried out on American and Soviet territory.

Mr. Shultz also confirmed that Soviet monitors would be permitted to make occasional short-notice inspections at a plant in San Diego that makes launchers for ground-launched cruise missiles.

Mr. Shultz declined to publicly acknowledge that Soviet monitors would be stationed for 13 years outside a plant in Utah, saying that local members of Congress needed to be notified first.

Focus of Summit

Mr. Karpov, the head of the Soviet Foreign Ministry arms-control directorate, said a package of instructions on strategic arms cuts to the U.S. and Soviet negotiating teams in Geneva would be in the focus of the Washington summit, Reuters reported from Moscow.

He said the experience accumulated by both sides in drafting the INF pact, particularly the verification measures agreed upon this week after seven years of tough negotiations, would be useful in working out the strategic arms accord.

The INF treaty calls for the destruction over three years of all superpower nuclear missiles with a range of 300 to 3,400 miles (500 to 5,500 kilometers).

Mr. Karpov said Moscow would use high explosives to destroy its missiles once the treaty takes effect. "We envisage a procedure of blowing up those missiles with TNT charges on testing ranges or deserts remote from cities and human settlements," he said. "The missiles will be blown up in the presence of American inspectors."

"The Americans will eliminate theirs by burning them and blowing them up," he added, "and our inspectors will be present as well."

Mr. Karpov made clear that nuclear charges would be removed from the missiles before their destruction. He said the two sides had agreed that extracted nuclear materials could be used for other purposes, such as atomic fuel.

RATIFY: Battle Expected

(Continued from Page 1)

ties available to minority blocs in the Senate.

The outlook is further complicated by separate agendas of the Democratic and Republican leadership and cross-currents from the presidential campaign.

The leader of the Democratic majority in the Senate, Robert C. Byrd of West Virginia, has indicated he may attempt to use the treaty as leverage to force action on two smaller treaties limiting the size of underground nuclear tests and to bring pressure on the Soviet Union to withdraw from Afghanistan.

Meanwhile, the Senate minority leader, Bob Dole of Kansas, a presidential candidate courting the Republican right wing, has shown only lukewarm support for the treaty, expressing concern over verification and other issues that could arise in the Senate debate.

With the exception of Vice President George Bush, the other Republican presidential aspirants are on record against the treaty, while all of the Democratic candidates have indicated support for it.

Moreover, prospects for early agreement on a new U.S.-Soviet strategic arms reduction treaty, known as START, which could cut long-range nuclear arsenals by as much as 50 percent, depend largely on speedy ratification of the treaty on medium-range missiles.

"I think there is a chance we can get a START treaty negotiated by spring," said the Senate majority whip, Alan Cranston of California, who is working on ratification strategy. "But I don't think the Soviets can be expected to sign off on a START treaty until the Senate ratifies" the treaty on intermediate nuclear forces, or INF.

A senior U.S. arms negotiator, who asked not to be identified, said, "The Soviets have made it very clear that if INF is in trouble in the Senate in March or April, they won't sign a START treaty."

Europeans Draft Controls for AIDS Virus: Threat to Asia

By Barry James

International Herald Tribune

Foreign ministers of the 21-nation Council of Europe are expected to approve on Thursday a coordinated response to the growing AIDS epidemic, avoiding compulsory testing for the virus that causes the disease but stressing the need to change personal behavior and provide adequate facilities for counseling and treatment.

The draft proposals before the ministers, who are meeting in Strasbourg, reject discriminatory measures such as control at frontiers and the exclusion of carriers from schools, employment or housing, according to diplomats familiar with the text. The proposals call such discrimination unjustified on either ethical or scientific grounds. The projected program is clearly intended to avoid driving AIDS sufferers or carriers underground. It states that testing should be done on a voluntary basis, and that confidentiality should be kept for those found to be carrying the human immunodeficiency, or HIV, virus. Carriers do not necessarily go on to develop acquired immune deficiency syndrome themselves, but can pass the virus to others via sexual contact. Drug addicts who share infected needles also are at risk.

The experts who drew up the proposals estimated that without urgent preventive measures, there could be more than 10 million HIV carriers in Europe by 1991.

But the draft program states that "as a general rule," there should be

no compulsory restriction of movement or isolation of carriers.

This is a subject of fierce debate in several countries belonging to the Council of Europe, a forum for coordinating the policies of member states.

In Stockholm the authorities are converting a former mental hospital into an "AIDS colony," which, beginning in February, will house people who continue to behave in a manner likely to infect others after they have been diagnosed as carriers of the HIV virus. Iceland has set up an AIDS isolation unit near Reykjavik, but it has not yet been used.

The West German state of Bavaria imposes obligatory AIDS tests on specified groups, including people entering public service. The projected program is clearly intended to avoid driving AIDS sufferers or carriers underground. It states that testing should be done on a voluntary basis, and that confidentiality should be kept for those found to be carrying the human immunodeficiency, or HIV, virus. Carriers do not necessarily go on to develop acquired immune deficiency syndrome themselves, but can pass the virus to others via sexual contact. Drug addicts who share infected needles also are at risk.

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According to diplomats, the draft program urges governments to "concentrate their efforts on preventive measures aimed at behavioral change to control the epidemic, since these are of singular importance as long as a vaccine and cure have not been found."

Despite opposition from conservative and religious groups that advocate abstinence, the draft says people should be told that "sexual transmission may be prevented by careful selection of sexual partners, by avoiding casual sexual contact and by the use of condoms."

It urges governments to provide arrangements for voluntary blood testing, particularly for groups at high risk. Those found to be HIV carriers "should be referred to competent medical and counseling services to be informed of precautions to be taken to protect their own health and to avoid spreading the infection."

The draft program says it should then be left to individuals to inform health staff members and others if they have been found to be HIV positive. This runs contrary to the situation in Sweden and Bavaria, where existing laws requiring notification of infectious diseases have been broadened to include AIDS.

The sources said the program urges governments to set up special units for the treatment of AIDS and provide out-patient facilities that will allow sufferers "to maintain as much as possible a private and a social community-integrated life."

VIRUS: Threat to Asia

(Continued from Page 1)

public this month by the World Health Organization, just 208 cases of AIDS have been reported in 18 Asian nations, out of a world total of officially reported cases of nearly 65,000.

The United States has reported the most cases, more than 45,000. Europe has reported 7,512 and Africa 6,298. Officials believe that many more cases, in Africa in particular, have not been reported.

The disease appears to have entered the Philippines, in many cases through prostitutes who have had contact with servicemen near two large U.S. bases, the doctors said. Fifty-one people have been reported to carry the virus in the Philippines.

Describing tests in the areas adjacent to the bases, Dr. Curtis Hayes of the Naval Medical Research Unit said that 44 prostitutes had tested positive for the virus. Philippine health authorities have voiced concern to U.S. officials and have asked that measures be taken to prevent transmission of the disease by servicemen.

Dr. Hayes said that all U.S. servicemen are tested for the virus before and during their Philippine tours and are sent home if found to be infected.

Dr. Monzon said the low rate of AIDS in Asia may be likely because the virus had only been recently introduced into the region.

She said other factors could include inadequate surveillance and reporting and possibly conscious under-reporting by nations that fear the loss of tourism.

"The clinical manifestation in Asia may be different from what has been seen in the United States," she said, and its symptoms might sometimes be mistaken for tuberculosis, diarrheal diseases and salmonella.

Dr. Dwyer said, "The African model is far more appropriate for predicting the future of AIDS in Asia than is the American experience."

One factor in Africa, he said, is multiple births and poor obstetrical care, which he called a crucial factor in heterosexual infections.

He said a high instance of other sexually transmitted diseases also increased susceptibility to infection with the AIDS virus.

U.S. University Ending Talks on AIDS Center

New York Times Service

WASHINGTON — Johns Hopkins University says that it is no longer negotiating with Dr. Robert C. Gallo, the government's top AIDS researcher, to help start a new human virology program at the university because negotiations with "external financial sponsors" had collapsed.

The university made its announcement Tuesday after reports that Dr. Gallo, co-discoverer of the acquired immune deficiency syndrome virus, had been engaged in negotiations with at least three university medical centers to set up a virology institute with close ties to the top academic, industrial and government scientists. Dr. Gallo said he was continuing to talk with Yale and Duke Universities.



Workers march in Rome during a strike Wednesday over government economic policy.

Italy Coalition Is Backed Amid Strike

Reuters

ROME — Italy's government won a confidence vote on Wednesday after a brief political crisis, but as Parliament confirmed the coalition in office, millions of Italians stopped work in a general strike against its economic policies.

As trade unions held demonstrations and marches to support the nationwide strike, the five-party coalition of Prime Minister Giovanni Goria was upheld in the Chamber of Deputies on a 368-233 vote.

The vote sealed Mr. Goria's return to full power after a crisis in which he submitted his resignation but then patched up a dispute among the parties in his coalition. The three big trade union confederations called the strike to protest the government's 1988 budget. They say that it gives inadequate resources to social programs and insufficient aid to the unemployed.

The budget was revised earlier this month to reduce a large deficit created by rising inflation and the world stock market plunge.

The small Liberal Party quit the coalition after tax cuts that had been promised for 1988 were shelved.

After a five-day crisis, the dispute was settled with a compromise under which some tax cuts will be reinstated in the second half of 1988 if inflation is under control.

Since taking power on July 28 after a five-month political stalemate, Mr. Goria has been beset with almost constant problems.

Referring to back-room maneuvering, which often decides the fate of Italian cabinets, he said: "The government's efforts to perform its duties are worth little if they are not accompanied by an equal understanding by all political forces to assume parallel responsibility toward the country."

UNREST: Sympathy for Yeltsin

(Continued from Page 1)

was suffering from doing the right thing," a Soviet office worker said, "and that has demoralized people. They want a better explanation."

One of the reasons the city is perplexed is that Mr. Yeltsin's speech at the Oct. 21 meeting has been censored from the press.

The Soviet leader, Mikhail S. Gorbachev, in a speech published Nov. 13, said Mr. Yeltsin had criti-

cized party leaders and charged that the Gorbachev program of economic restructuring offered nothing to the Soviet people.

Moscow residents, however, are demanding that Mr. Yeltsin's remarks be published in order to set the record straight.

"It's the least one can do during a period of glasnost," a Soviet factory worker said, referring to Mr. Gorbachev's policy of openness.

Treaty

1983, Moscow walked out of the talks. But this Soviet approach was heavy-handed and obstructive. Analysts said it was a pressure tactic to force concessions. Under Mr. Gorbachev, the Soviet Union has appeared to pursue the same basic objective — the adoption of different tactics. It has adopted the "zero-option" plan, the one by which it would not use its long-range missiles also.

U.S. Convoy Enters Gulf And Iran Says Its Planes Struck in Southern Iraq

MANAMA, Bahrain — The 19th convoy of U.S. warships and flagships entered the Persian Gulf on Wednesday as Iran said its planes had bombed targets in Iraq for a second straight day.

The convoy, consisting of the 194,799-ton product tanker *Towson* and the liquefied gas carrier *Gas Prince* and *Gas Queen*, both



Guerrillas of the National Liberation Army of Iran claimed to have captured 310 government troops during a battle in Western Iran, near the border with Iraq. The Iraqi-supported rebels provided this photo, which they said showed the prisoners taken Monday.

46,723 tons, was under escort by the guided-missile frigate *Elrod*.

Iran's Islamic Republic News Agency said that Iranian warplanes "heavily bombed" a communication bridge and a supply route Wednesday morning in Al Anbara in southeastern Iraq. It said that the jets had inflicted "considerable damage" before returning home safely.

In another development, King Hussein of Jordan visited Syria on Wednesday as part of a diplomatic initiative to reconcile President Hafez al-Assad of Syria and President Saddam Hussein of Iraq, sources in Amman said.

The Syrian and Iraqi heads of state, both of whom head rival factions of the Arab Ba'ath Socialist Party, held discussions earlier this month at the Arab summit meeting in Amman.

Syria has sided with Iran in the war with Iraq and is Tehran's last major Arab ally. At the summit meeting, however, it joined 20 other Arab states in condemning Iran for its refusal to end the Gulf War.

Iraqi forces have been on full alert for two weeks in anticipation of an Iranian offensive.

Iraq has been massing as many as 20 divisions, at least 200,000

For China's Li, One Question

And His Ever-Ready Answer Is That He's Not Pro-Soviet

By Edward A. Gargan
New York Times Staff Writer

BEIJING — For Li Peng, China's new acting prime minister, it is a question he has come to anticipate with metronomic regularity, and the answer is on the tip of his tongue.

"Just because I studied in the U.S.S.R., it doesn't mean I'm pro-Soviet," he said earlier this month.

"The allegation that I'm in favor of central planning is a misunderstanding," he said. "The present economic system must be restructured."

But despite his protestations, his record suggests that Mr. Li, while perhaps not pro-Soviet, is at least amenable to traditional notions of Communist economics.

At the same time, he has championed the continued role of Communist Party cadres in enterprises, precisely the sort of activity that advocates of change in the Chinese party and government are trying to reduce.

And those inclinations, some diplomats in Beijing suggest, mean that he shares less avidly than his predecessor, Zhao Ziyang, the leader of the party, a vigorous enthusiasm for transforming the state-dominated economy into a free marketplace of goods and services, a transformation that entails overcoming the limits of centralized planning and curtailing the role of the party in economic life.

Mr. Li was named acting prime minister Tuesday and is virtually assured of being named prime minister on a permanent basis when the National People's Congress gathers in the spring.

A cherub-faced man with an avowed fondness for the spicy cuisine of his native Sichuan Province, Li Peng speaks Russian fluently and self-taught English less so.

Mr. Li was sent to Moscow in 1948, a year before the Communists took power in China. He studied at the Moscow Power Institute and for a time was president of the Association of Chinese Students in the U.S.S.R.

After his return to China in 1955, he worked as chief engineer and director of several power plants in the northeast and later moved into party posts.

By 1979, when China's senior leader, Deng Xiaoping, had exerted clear control over the party and government, Mr. Li was promoted to deputy minister of the power industry.

Mr. Li joined the Central Committee of the party in 1982 and at a special party meeting in 1985 was elected to the ruling Politburo.

Since his elevation to the highest ranks of the party, Mr. Li has been active both in international and domestic affairs. He has traveled extensively in both Eastern and Western Europe, has met twice with Mikhail S. Gorbachev, the Soviet leader, and visited the United States in July 1985.

During pro-democracy student demonstrations last winter, Mr. Li was vocal in his attacks on the students who marched through the streets of China's major cities.

The protest, he said, "resulted from years of vague and wavering attitudes towards the trend of bourgeois liberalization."

As a result, he declared, students henceforth would be evaluated on their political credentials.

At his direction, stiff new rules on studying abroad have been instituted, and are likely to curtail sharply the flow of Chinese students abroad.

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Interview

he did not want to be seen that the network's Moscow bureau had been told by a source in Siberia before the day of the interview with Gorbachev.

ABC had won the interview. We earned it. The network's Moscow bureau had been told by a source in Siberia before the day of the interview with Gorbachev.

Mr. Gorbachev, the Soviet leader, said in the interview that the network's Moscow bureau had been told by a source in Siberia before the day of the interview with Gorbachev.

North Sea Nations Agree on Waste

LONDON — Nations bordering the North Sea agreed Wednesday on a compromise to reduce dumping of industrial waste into its waters beginning in 1989. Britain opposed a complete ban.

This is a major step forward, the British environment minister, Nicholas Ridley, said after a two-day conference on protecting the region.

The conference was attended by environment ministers from Britain, Norway, West Germany, Denmark, Sweden, the Netherlands, Belgium and France.

Australia Says France Aims to Buy Pacific Goodwill

By Michael Richardson
International Herald Tribune

SINGAPORE — In intensifying competition for South Pacific influence, Australia has accused France of trying to buy goodwill by offering greatly increased amounts of aid to Fiji and other island states in the region.

In a recent Australian television interview, Foreign Minister Bill Hayden said that France was "very active with what one might call fiscal diplomacy." He added: "The French are moving around and underwriting all sorts of projects and in this way seeking to obtain goodwill."

In another comment that some observers said they thought might aggravate Canberra-Paris relations, Mr. Hayden said he felt it should be recognized that "the French role and presence in the

South Pacific is not going to be a long-lasting one."

In interviews in Singapore and Paris, French officials insisted that France had no important and enduring part to play in the Pacific, based on a long historical association with three island territories — Polynesia, New Caledonia, and Wallis and Futuna.

They cited a number of initiatives which, they said, were intended to increase development assistance and deflect hostile powers such as the Soviet Union.

These included expanded French aid to Fiji, the largest of the South Pacific island chains, and exploratory talks with the United States, Japan and Britain on assistance programs.

The French officials also cited creation of a Polynesian trade and cultural exchange association, linking Tonga, the Cook Islands, West-

ern Samoa, Niue and French Polynesia.

Mr. Hayden explained his belief that France would not be "a stayover, over the long-term," in the South Pacific because events would encourage it to withdraw. He said that France was creating difficulties for itself and for the West in the Pacific by continuing to test nuclear weapons at Mururoa atoll in Polynesia and "by the way it treats its own Melanesian subjects, or peoples, in New Caledonia."

He said that the South Pacific countries should be aware that Australia and New Zealand were a permanent part of the region and would continue to provide the bulk of its aid, trade, investment and other services.

In an interview on Monday, Defense Minister Kim Beazley of Australia said that on a recent South Pacific visit he had encountered strong hostility to French policies

on New Caledonia and nuclear testing, "particularly among the Melanesian states." Papua New Guinea, the Solomon Islands and Vanuatu are predominantly Melanesian.

Australian officials said that France, by organizing a Polynesian trade and cultural association in the South Pacific, was trying to provide a counter-balance to its Melanesian critics. Some French officials accused Australia of being the "ring-leader" among South Pacific opponents of France.

One official said that Australian and New Zealand support for indigenous Melanesians, known as Kanaks, who are demanding independence for New Caledonia, had encouraged an assertion of nationalist feeling among Fijians and other indigenous people elsewhere in the South Pacific.

Settlers from France, Asia and other parts of the Pacific form a majority of New Caledonia's population.

The Fijian armed forces have seized power twice this year in attempts to preserve the political supremacy of indigenous Fijians over Indians of immigrant descent. Fijians are narrowly outnumbered by Indians in Fiji.

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Backing for Po

Mr. Shultz declined to make a statement on the Soviet move to the United Nations for the purpose of the summit.

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Doctors in U.S. Transplant a Knee

By Harold M. Schmeck Jr.
New York Times Service

PHILADELPHIA — The first successful transplant of an entire human knee has been accomplished at the Hospital of the University of Pennsylvania, a surgeon here announced.

The operation was done to save the leg of a 52-year-old woman who had developed a potentially malignant tumor on her knee the size of a grapefruit, hospital officials said.

Without the surgery, she faced the amputation of most of her right leg because the fast-growing tumor had destroyed bone and

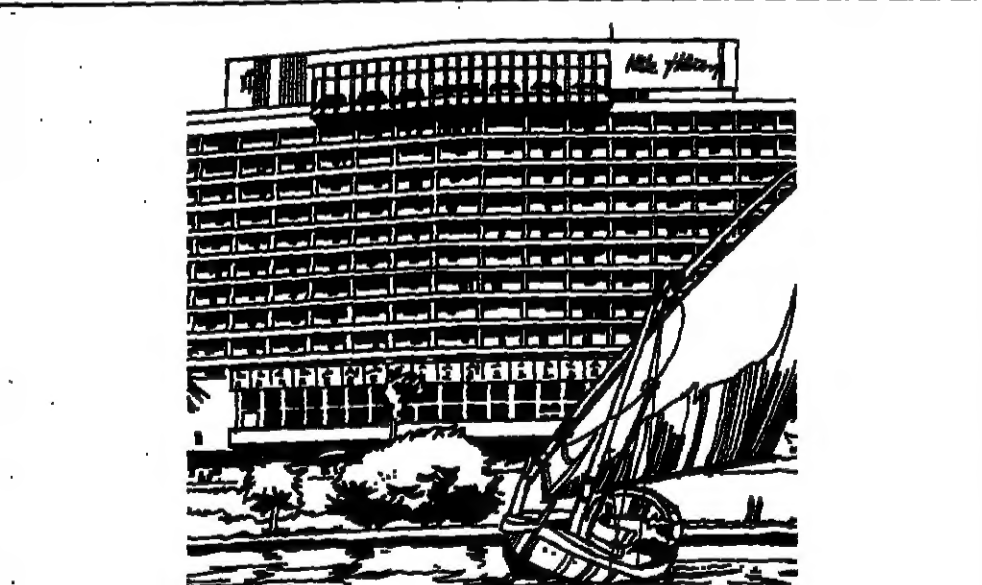
was encroaching on vital nerves and arteries.

Dr. Richard Schmidt, the orthopedic surgeon who performed the complex operation on Sept. 30, said the procedure had the potential to save the legs of hundreds of patients each year. The knee, moreover, is the largest and most complex of the body's joints, and the technical advances that have made the surgery possible may also aid transplants of other joints.

Dr. Schmidt said he expected the patient, Susan Lazarek of Absecon, New Jersey, to regain close to normal use of the leg within two to three months, but he said she should never play contact sports or try such heavy exertion as skiing.

The donor was an 18-year-old man who died in a motorcycle accident a week before the transplant. After the knee was removed from the donor, it was stripped of all tissues other than the bones and the attached ligaments and was stored at the university's bone bank at minus 80 degrees Fahrenheit (minus 112 degrees Fahrenheit).

Nancy Tolin, an oncology nurse specialist who is coordinator of bone bank distribution, said the operation took about seven hours.



THE JEWEL OF THE NILE

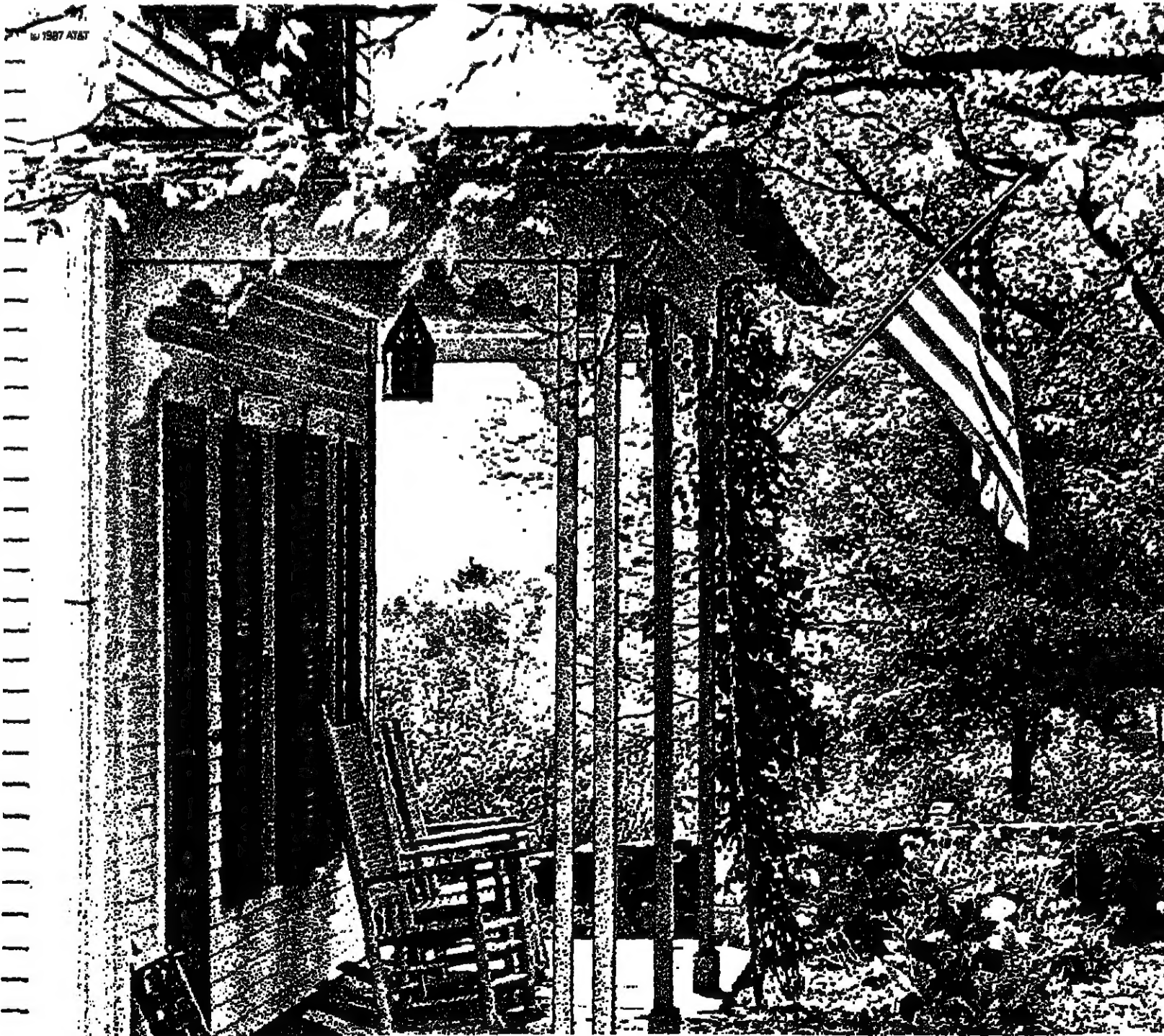
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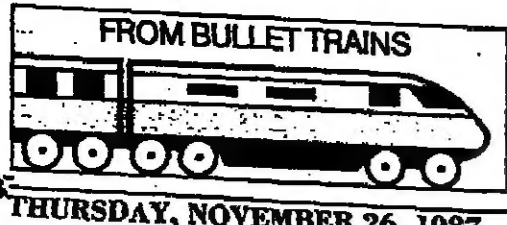
AT&T

RATIFY: Battle Expected

Continued from Page 11

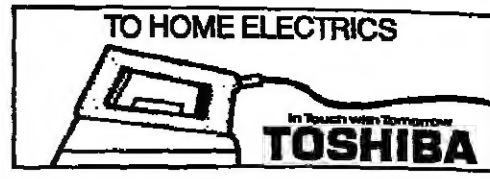
The Senate is expected to vote on the treaty in the next few days. The House is expected to vote on the treaty in the next few days.

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Herald Tribune BUSINESS/FINANCE



Page 9

MADISON AVENUE

Chanel No. 5 Passes Torch To Another Femme Fatale

By PHILIP H. DOUGHERTY
New York Times Service

NEW YORK — After about eight years of doing without, Chanel No. 5 has a new woman. Like Catherine Deneuve, who symbolized the scent for the eight years before that, the new woman is a French actress, Carole Bouquet, with dark hair, high cheekbones and a gorgeous smile.

For a number of years Chanel Inc. has put its broadcast advertising budget behind expensive commercials that helped lead the advertising industry into a new look.

"We have a bad habit of not being able to do things cheap," said Alain Wertheimer, chairman and chief executive of Chanel. The new spot is obviously an expensive production with the stark graphics directed by Ridley Scott, the British filmmaker who has worked for Chanel before.

The commercial seems to be telling a story with a "share the fantasy" theme. Ms. Bouquet is first seen high up in a Houston office building, against the backdrop of skyscrapers, she kisses an older man on the forehead, takes her expensive black car into the desert, stops at a gas station and is ogled by the youthful attendant, and then drives out into the hot sun of Monument Valley, Colorado, where she meets the man of her dreams. They kiss.

All this is done to "My Baby Just Cares For Me," sung with little accompaniment by Nina Simone. Given time to consider the commercial, one realizes that the 30-second tale is about a modern Goldilocks who finds one man too old, one too young and one just right.

M.S. BOUQUET saw the advertising for the first time recently in the company of Mr. Wertheimer, Aric Kopelman, vice chairman and chief operating officer, and Catherine D'Alessio, president. The chairman, whose grandfather helped found the company, said it was time to return to advertising with personality, and to use a person who is warm.

"We want a real person, not a personality," he said. "The real secret of advertising is to make it real and a dream at the same time."

Chanel has produced its own commercial and will be using its agency, DDB Needham, merely for media buying. The initial round of television advertising and in print will be for the prime gift-buying season, during November and December.

Ms. Bouquet, 30, reflects the widening market for the Chanel No. 5 brand, which sells for \$170 an ounce. As recently as two years ago, according to Ms. D'Alessio, the bottom of the market for the 55-year-old fragrance was considered 35 years of age. Now it is more like 28.

Absolut Vodka and TBWA Advertising, the Swedish company's New York ad agency, are relying on technology to strike the right note with their Christmas advertising. Readers of New York magazine who open Absolut's two-page Christmas display this week will be met by ditty-sounding but unmistakable fragments of Christmas carols.

The source of the music is a Taiwanese microchip embedded in the paper. When the page is opened, the chip settles into "Jingle Bells," "Santa Claus Is Coming to Town" or "We Wish You a Merry Christmas" and continues looping through them until the reader turns the page.

Richard Costello, TBWA's president, said that the company got the idea from a campaign IBM ran two years ago in Le Point, a French magazine. At more than 50 cents a unit, the cost of such campaigns mounts rapidly with the circulation of the magazine chosen. Absolut's production costs will run to more than \$1 million.

Personal Income Up in U.S.

Farm Subsidies Fuel 1.7% Jump

WASHINGTON — U.S. personal income rose 1.7 percent in October while orders for durable goods increased a moderate 0.3 percent, the government said Wednesday.

The gain in durable goods orders followed an even bigger 2.4 percent surge in September, revised upward from 1.8 percent.

Most of the rise in personal income was attributed to a big surge in government subsidy payments, which doubled farm incomes last month. Without the increase in farm subsidies, the income advance would have been 0.7 percent, similar to the 0.6 percent overall income gain recorded in September.

Consumer spending showed no improvement in October, holding steady at an annual rate of \$3.01 trillion after declining 0.3 percent in September. The weakness in both months came from declines in auto sales.

October's increase in personal income matched the advance in July 1981. Personal incomes have not posted a steeper gain since June 1975, when they rose 2.5 percent.

Disposable, or after-tax, income was up 1.8 percent in October, the biggest advance since May, when they climbed 3.2 percent.

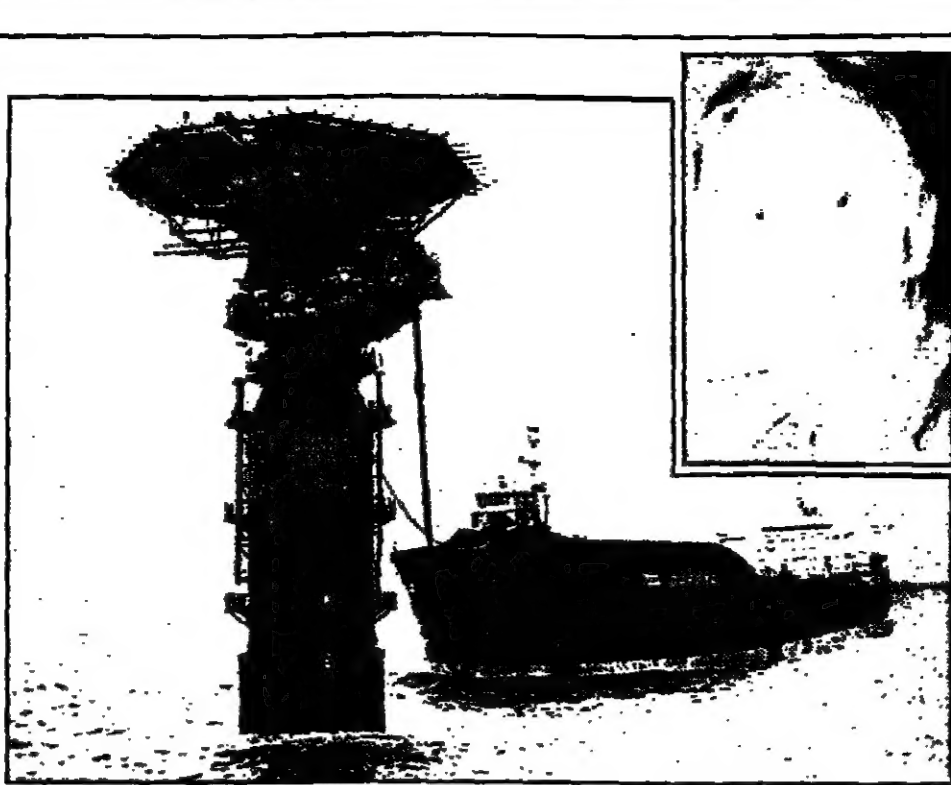
The combination of rising incomes and flat consumer spending led the savings rate — savings as a percentage of disposable income — at 4.7 percent in October, up sharply from a rate of 3 percent in September. The savings rate was the highest monthly figure since 4.9 percent in January.

The question of whether the United States will slide into a recession next year turns on whether consumers will continue spending or start building up savings because of worry about the future.

The effects of the Oct. 19 stock market collapse cannot be judged from the month's data, which were influenced mainly by big swings in other elements, such as the bigger farm incomes and lower car sales.

The Commerce Department said that demand for aircraft and motor vehicles helped power the rise in durable goods orders to a seasonal adjusted \$109.57 billion.

(AP, Reuters)



Arve Johnsen, managing director of Statoil, which oversees Norway's North Sea output.

Statoil Crisis Saps Faith in Norway

An Ill-Timed Blow to Shaky, Oil-Dependent Economy

OSLO — A crisis at the state oil company, Statoil, has broken at a time when Norway can least afford it and is posing questions about the price that must be paid to maintain an affluent welfare state.

Economic analysts say the affair at Norway's biggest company has sapped foreign and domestic confidence. And the country, which enjoys one of the world's highest standards of living, faces new threats to its precarious economy.

"The economy looks pretty bleak and the Statoil affair has crowded it all," said Diana Barran, head of research at Enskilda Research, an interview. In Norway's economic planning, she said, "Everyone's always looked for the easy solutions and they probably don't exist."

The government-appointed members of Statoil's board resigned last week after it was disclosed that the Mongstad refinery project had cost \$4 billion more (\$340 million) above budget. The managing director, Arve Johnsen, has offered to resign over what is being called Norway's biggest industrial scandal.

Analysts say Norway could now lose billions more kroner in revenue from its North Sea oil industry. Norway is Europe's third oil producer after the Soviet Union and Britain, and almost half of its foreign earnings come from oil and gas. Since oil began to flow in the early 1970s, the government has used the revenue to cushion state industries and Norway's 4 million people from recession and unemployment.

But now, the price of oil is hovering around eight-month lows. In addition, the falling dollar threatens to slash Norway's income from oil, which is marked up in dollars.

See NORWAY, Page 13

TWA to Increase Texaco Stake for \$348 Million

NEW YORK — Trans World Airlines said Wednesday it had agreed to buy 12 million Texaco Inc. shares and the voting rights to an equal amount of shares for \$348 million, which would make TWA the most powerful shareholder in the troubled oil giant.

TWA will buy the shares for \$29 each from Bell Resources Ltd., which is controlled by the Australian financier Robert Holmes & Court. The announcement by TWA, which is led by the takeover strategist Carl C. Icahn, surprised Wall Street and injected a new unknown into Texaco's multibillion-dollar legal fight with Pennzoil Co.

TWA would have a 7.3 percent stake in Texaco but voting control over 12.3 percent of its shares.

The accord also reflected the heavy pressure on Mr. Holmes & Court to raise cash after the worldwide stock market collapse on Oct. 19. By some estimates, the investor lost up to \$600 million and reportedly could face difficulties in paying interest on debts of companies he controls.

For Mr. Icahn, whose plans to turn TWA into a private company were thwarted by the stock plunge, investing in Texaco provides a way to put the company's large cash reserve to use, analysts said.

Many said it was highly unlikely that Mr. Icahn, who has profited enormously by purchasing stakes in other big companies, was ultimately interested in winning control of Texaco. With revenue of \$31.6 billion last year, Texaco is the third largest U.S. oil company.

"It may be that Icahn saw in this thing an opportunity to pick up a position in a major company at a reasonable price," said Louis A. Marcussano, an analyst who follows TWA for the Philadelphia investment firm Janney Montgomery Scott Inc. "I can't see any other strategic reason for it."

Texaco stock rose \$1.75 a share Wednesday to close at \$30.25 in active trading on the New York Stock Exchange. Pennzoil climbed \$3.75 a share to \$73.125. TWA rose 50 cents a share to \$18.625.

Some said that Mr. Icahn's move probably reflected a belief that Texaco stock would rise significantly in value when its legal battle with Pennzoil is resolved.

A Texas jury awarded Pennzoil a record \$10.3 billion judgment against Texaco in 1985 in a dispute over Texaco's takeover of Getty Oil Co. Texaco sought federal bankruptcy law protection in April because of the judgment, which it has vowed to challenge in the U.S. Supreme Court.

Some analysts said that unlike Mr. Holmes & Court, Mr. Icahn might use his influence as a major shareholder in Texaco to pressure the company into settling with Pennzoil, selling some assets or taking other steps that might increase the short-term value of its stock.

See TWA, Page 13

EC Proposes To End Most Steel Quotas

BRUSSELS — The European Community's executive Commission proposed Wednesday that most of the EC's steel industry return to free competition in 1988 after almost eight years of crisis measures to protect it.

The commission said it would ask governments to agree to scrap quotas that limit companies' output of the most widely made steel products, effective in July.

The commission proposed that quotas remain in force until the end of 1990 for only about 10 percent of EC steel production, and then only if producers gave concrete commitments to reduce surplus production capacity.

The executive body said job losses in the industry in the next three years were likely to be even higher than the 80,000 it had estimated as producers grapple with falling demand and Third World competition.

About 65 percent of EC steel output is subject to production quotas, introduced in October 1980 under a program intended to help the ailing industry return to health.

The commission's plan, to be discussed by industry ministers on Dec. 8, is its response to a failure by EC steelmakers to agree to plant closures needed to slash surplus capacity estimated at 16 million to 20 million metric tons.

U.S. officials, however, said Wednesday that the Reagan administration was not inclined to accept a plea by Nigel Lawson, Britain's chancellor of the Exchequer, who said Tuesday that the United States must be prepared to raise interest rates if necessary.

Disagreement over an appropriate level for the dollar, and the means to defend it, was another reason that a G-7 meeting was not imminent, the officials said.

The United States would also have a stronger negotiating hand to win policy concessions from its partners once the deficit plan is approved by Congress, Washington analysts said.

Many European officials and market analysts believe that the markets are still highly sensitive and may grow impatient if a G-7 meeting is delayed too long.

Currency Rates

Cross Rates	Nov. 25
Australian dollar	1.0855
Belgian franc	36.7125
British pound	1.6425
Canadian dollar	1.2975
Deutsche mark	1.7825
Japanese yen	163.75
Swiss franc	1.4875
U.S. dollar	1.0000

Forward Rates	Nov. 25
30-day	1.2885
90-day	1.2975
180-day	1.3065
360-day	1.3155

Source: Reuters, Bank of Tokyo, Citicorp, Deutsche Bank, etc. All rates are for 100 units of foreign currency per U.S. dollar. All rates are for 100 units of foreign currency per U.S. dollar.

Interest Rates

Interest Rates	Nov. 25
3-month T-bill	7.75%
6-month T-bill	7.75%
1-year T-bill	7.75%
3-month Treasury note	7.75%
6-month Treasury note	7.75%
1-year Treasury note	7.75%

Source: Federal Reserve Bank of New York. All rates are for 100 units of foreign currency per U.S. dollar.

Key Money Rates

Key Money Rates	Nov. 25
3-month T-bill	7.75%
6-month T-bill	7.75%
1-year T-bill	7.75%
3-month Treasury note	7.75%
6-month Treasury note	7.75%
1-year Treasury note	7.75%

Source: Federal Reserve Bank of New York. All rates are for 100 units of foreign currency per U.S. dollar.

Europeans Say Prospects for Early Group of Seven Meeting Are Fading

PARIS — Prospects for an early agreement by the Group of Seven countries on a new economic policy and exchange rate pact are receding, European officials said Wednesday.

Ministers from the seven leading industrial democracies — Japan, West Germany, France, Britain, Italy, Canada and the United States — may not even meet before Christmas, although a December meeting is still possible, the officials said.

The ministers had been expected to meet soon after agreement in Washington on a plan to cut the U.S. budget deficit. White House and congressional negotiators approved a \$76 billion two-year deficit reduction program on Friday.

European finance officials now say that the package must make its way through Congress, which may take three more weeks, before a ministerial meeting can be arranged.

A group of Seven meeting has been eagerly awaited by the international currency and stock markets in the hope that it will endorse a policy package aimed at stabilizing the dollar and averting recession. A number of European analysts fear that stock markets could collapse again if a cooperative effort by the countries is not made.

Within OPEC, Tehran is pressing for approval of a \$1 to \$2 increase in the cartel's official price of \$18 at a ministers meeting to be held Dec. 9 in Vienna.

Its push for higher prices is likely to founder, however, on Saudi Arabia's insistence that they be maintained at current levels. The Saudis' position is strongly supported by Kuwait, the United Arab Emirates and Qatar within the 13-member cartel.

Analysts said that outside support for Tehran's price campaign could only be undercut by reports of its heavy discounting in Europe.

The Iranians are trying to displace other OPEC producers in Europe after being bumped out of the U.S.-Caribbean by the U.S. embargo last month, said Jan Nasmith, publisher of Petroleum Argus, a trade letter published in London.

"The problem is, the Iranians don't have room to sell in Europe; the heat is on them," he said. "That they're bringing unsold cargoes to Europe is being widely interpreted as a sign of serious difficulty."

Analysts and traders said that awareness of Iran's drive to sell off supplies in Europe, coupled with a general saturation of the market, could depress spot prices well into the first quarter of next year.

Michael Unsworth, an oil analyst with Smith New Court PLC in London, said, "Unless OPEC pulls the rabbit out of the hat at its December meeting, there is a distinct possibility that spot prices could fall as low as \$15 between now and the middle of the first quarter."

The volume of unsold Iranian crude in northwestern Europe alone is put at 5 million barrels, or about 800,000 tons.

Traders said that four big oil tankers were headed to northwestern Europe from Gibraltar with cargoes of unsold Iranian crude.

Analysts said that Iran's campaign to raise OPEC prices could only be undercut by its heavy discounting in Europe.

A Netherlands-based oil trader who tracks the Rotterdam market said Iran's scramble to dump inventories in Europe had been largely ineffective so far.

Because Iran is expected to lower its prices further, he said, trading in its crude on the Rotterdam market has been extremely thin.

"Even at the biggest discount offer of \$2, there were no takers," he said. "Traders are sitting back in their chairs with no sense of urgency," waiting for further discounts.

Desperate to maximize oil revenue to bankroll its war against Iraq, Iran has been hit hard by the over-supplied market in Europe. To compound the Tehran government's troubles, the Iranian oil company is being squeezed by an embargo imposed recently by the United States.

The embargo is causing Iranian oil shipments that were headed for the United States through the Caribbean to be rerouted to Europe, where competition for market

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1016 CA Amsterdam,
Tel. +31-20-211188.

Comet Bradley Nears Rendezvous With Earth

THE NEAREST COMET to Earth is now Comet Bradley, which is expected to pass within 10 million miles of our planet on December 13, 1987. The comet is named after the astronomer who discovered it in 1980. It is a short-period comet, meaning it orbits the Sun frequently. The comet is currently visible in the night sky and is expected to be even brighter as it approaches Earth.

	Vol.	High	Low	Last	Chg.
BAT	5178	7 1/8	7 1/8	7 1/8	+ 1/8
GOINB s s	2629	23 1/2	23 1/2	23 1/2	+ 1/8
TECH A	2629	12 1/2	11 3/4	12	+ 1/8
NY Time	2579	27 1/2	26 3/4	26 3/4	+ 1/8
St-Joe G n	2579	16 1/2	16 1/2	16 1/2	+ 1/8
LCI	1735	16 1/2	16 1/2	16 1/2	+ 1/8
HimeSh s	1827	6	5 1/2	6	+ 1/8
SEDM wr	1777	2 1/2	2 1/2	2 1/2	+ 1/8
GOINB	1680	7 1/2	7 1/2	7 1/2	+ 1/8
GOINB	1552	11 1/2	10 3/4	11 1/2	+ 1/8
Amoldm	1348	11 1/4	10 3/4	11 1/4	+ 1/8
Hoeber s	1335	12 1/2	11 3/4	12 1/2	+ 1/8
LCI	1201	9 1/2	9 1/2	9 1/2	+ 1/8
FRUIT n	1264	5 1/2	5	5 1/2	+ 1/8
ENUS	1224	3 1/2	3 1/4	3 1/2	+ 1/8

High	Low	Close	Ch'ge
249.71	248.51	249.71	+1.36

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

United Press International

12 Month		Stock	Div.	Yld.	PE	Siz.	1980		1979		Class	Qual.	Chrg.
High	Low						High	Low	High	Low			
3215	17 1/2	BHP n.	43c	2.2		31	20 1/2	17 1/2	17 1/2	—	1c		

22 1/4.

Month	High Low	Flow	Dir.	Wind	Dir.	Temp	High Low	Cloud	Wind	Dir.
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(Continued on next left-hand page)

Under Mr. Gornachuk's Union has appeared to the same basic objective — making the American market accept the "zero option," upped the ante by proposing shorter-range missiles be banned.

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received a call on-line with [a
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with Soviet officials for m

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Continued from Page 1

The article continues with a discussion of the impact of the war on the economy and the role of the government in managing the war effort. It mentions the need for rationing and the importance of maintaining morale. The article also discusses the impact of the war on the home front and the role of women in the workforce.

High on the agenda of most companies will be "improving productivity, there are still some influential firms whose very technology impedes the fact that it is not in their interests of free information exchange.

Olivetti does the opposite. Open System Architecture from Olivetti is a way to pry open closed systems. It is a bridge that by connecting diverse technologies of different manufacturers, permits communication. And accommodates new technology as soon as it is available.

To choose Open System Architecture is to choose freedom. At the foundation of the Olivetti plan are the principles of connectivity and standards. Being able to connect environments defined by different manufacturers facilitates the exchange and integration of information, for an infinite number of tailored applications at all levels of use. Acceptance of standards lets the system evolve and grow naturally, in step with your company.

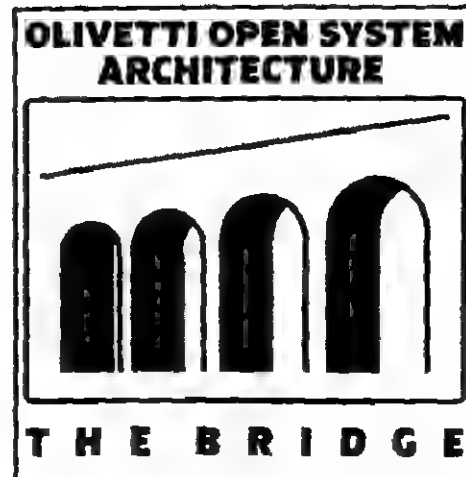
In short, Open System Architecture from Olivetti fosters not just the coexistence of systems, but their **complete integration**.

International standards for information network design provide the foundation of Open System Architecture. They manifest themselves in the Olinet family of networking products, which incorporates all ISO/OSI standards for both Local and Wide Area Networking applications. And in Open System Architecture's commitment to the PC world of MS-DOS.

In addition, Olivetti offers a full line of protocols that enables complete connectivity with the environments of the major vendors. And a new, fully integrated line of LSX 3000 minicomputers capable of supporting from two to two hundred linked users.

The industry standard UNIX system is the foundation for the LSX 3000 minicomputer family. These computers support an operating system conforming to the UNIX System V and X/OPEN standards. A world of applications software satisfies the most complex needs. Of course, the computers continue to support MOS, the Olivetti operating system developed for specific market sectors.

Olivetti is represented in all European, Far Eastern and Western countries. For further information about Olivetti systems please contact the Marketing Department of the Olivetti Head Office in your country.



olivetti

UNIX is a trademark of AT&T Bell Laboratories
MS-DOS is a trademark of Microsoft Inc.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

12 Month		Stock	Div.	Yld.	PE	Sts.		Close	
High	Low					100s	High	Low	Quot

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THE BORN LEADER



ADVERTISEMENT
INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 24th Nov 1987

Net asset value quotations are supplied by the Funds listed with the exception of some specialty investment funds. Quotations furnished: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

The marginal symbols indicate frequency of quotations in London.

GROUP A		BSC TRUST CO. (LIVERPOOL) LTD.		OST. MANAGEMENT (DUN) LHM		Prance-Vol	
Bank of Montreal	£ 28.10	Bank of Montreal	£ 28.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of New York	£ 10.10	Bank of New York	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Paris	£ 10.10	Bank of Paris	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Spain	£ 10.10	Bank of Spain	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Italy	£ 10.10	Bank of Italy	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Greece	£ 10.10	Bank of Greece	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Portugal	£ 10.10	Bank of Portugal	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Russia	£ 10.10	Bank of Russia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Turkey	£ 10.10	Bank of Turkey	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Persia	£ 10.10	Bank of Persia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of India	£ 10.10	Bank of India	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of China	£ 10.10	Bank of China	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Japan	£ 10.10	Bank of Japan	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Korea	£ 10.10	Bank of Korea	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Siam	£ 10.10	Bank of Siam	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Ceylon	£ 10.10	Bank of Ceylon	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Malaya	£ 10.10	Bank of Malaya	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Sumatra	£ 10.10	Bank of Sumatra	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Borneo	£ 10.10	Bank of Borneo	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Celebes	£ 10.10	Bank of Celebes	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Moluccas	£ 10.10	Bank of Moluccas	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of East Indies	£ 10.10	Bank of East Indies	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of West Indies	£ 10.10	Bank of West Indies	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central America	£ 10.10	Bank of Central America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of South America	£ 10.10	Bank of South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of North America	£ 10.10	Bank of North America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Europe	£ 10.10	Bank of Central Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Europe	£ 10.10	Bank of Eastern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Europe	£ 10.10	Bank of Western Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Europe	£ 10.10	Bank of Northern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Europe	£ 10.10	Bank of Southern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Asia	£ 10.10	Bank of Central Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Asia	£ 10.10	Bank of Eastern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Asia	£ 10.10	Bank of Western Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Asia	£ 10.10	Bank of Northern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Asia	£ 10.10	Bank of Southern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Africa	£ 10.10	Bank of Central Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Africa	£ 10.10	Bank of Eastern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Africa	£ 10.10	Bank of Western Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Africa	£ 10.10	Bank of Northern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Africa	£ 10.10	Bank of Southern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central South America	£ 10.10	Bank of Central South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern South America	£ 10.10	Bank of Eastern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western South America	£ 10.10	Bank of Western South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern South America	£ 10.10	Bank of Northern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern South America	£ 10.10	Bank of Southern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Europe	£ 10.10	Bank of Central Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Europe	£ 10.10	Bank of Eastern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Europe	£ 10.10	Bank of Western Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Europe	£ 10.10	Bank of Northern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Europe	£ 10.10	Bank of Southern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Asia	£ 10.10	Bank of Central Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Asia	£ 10.10	Bank of Eastern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Asia	£ 10.10	Bank of Western Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Asia	£ 10.10	Bank of Northern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Asia	£ 10.10	Bank of Southern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Africa	£ 10.10	Bank of Central Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Africa	£ 10.10	Bank of Eastern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Africa	£ 10.10	Bank of Western Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Africa	£ 10.10	Bank of Northern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Africa	£ 10.10	Bank of Southern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central South America	£ 10.10	Bank of Central South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern South America	£ 10.10	Bank of Eastern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western South America	£ 10.10	Bank of Western South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern South America	£ 10.10	Bank of Northern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern South America	£ 10.10	Bank of Southern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Europe	£ 10.10	Bank of Central Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Europe	£ 10.10	Bank of Eastern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Europe	£ 10.10	Bank of Western Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Europe	£ 10.10	Bank of Northern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Europe	£ 10.10	Bank of Southern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Asia	£ 10.10	Bank of Central Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Asia	£ 10.10	Bank of Eastern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Asia	£ 10.10	Bank of Western Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Asia	£ 10.10	Bank of Northern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Asia	£ 10.10	Bank of Southern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Africa	£ 10.10	Bank of Central Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Africa	£ 10.10	Bank of Eastern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Africa	£ 10.10	Bank of Western Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Africa	£ 10.10	Bank of Northern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Africa	£ 10.10	Bank of Southern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central South America	£ 10.10	Bank of Central South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern South America	£ 10.10	Bank of Eastern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western South America	£ 10.10	Bank of Western South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern South America	£ 10.10	Bank of Northern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern South America	£ 10.10	Bank of Southern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Europe	£ 10.10	Bank of Central Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Europe	£ 10.10	Bank of Eastern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Europe	£ 10.10	Bank of Western Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Europe	£ 10.10	Bank of Northern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Europe	£ 10.10	Bank of Southern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Asia	£ 10.10	Bank of Central Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Asia	£ 10.10	Bank of Eastern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Asia	£ 10.10	Bank of Western Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Asia	£ 10.10	Bank of Northern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Asia	£ 10.10	Bank of Southern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Africa	£ 10.10	Bank of Central Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Africa	£ 10.10	Bank of Eastern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Africa	£ 10.10	Bank of Western Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Africa	£ 10.10	Bank of Northern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Africa	£ 10.10	Bank of Southern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central South America	£ 10.10	Bank of Central South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern South America	£ 10.10	Bank of Eastern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western South America	£ 10.10	Bank of Western South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern South America	£ 10.10	Bank of Northern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern South America	£ 10.10	Bank of Southern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Europe	£ 10.10	Bank of Central Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Europe	£ 10.10	Bank of Eastern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Europe	£ 10.10	Bank of Western Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Europe	£ 10.10	Bank of Northern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Europe	£ 10.10	Bank of Southern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Asia	£ 10.10	Bank of Central Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Asia	£ 10.10	Bank of Eastern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Asia	£ 10.10	Bank of Western Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Asia	£ 10.10	Bank of Northern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Asia	£ 10.10	Bank of Southern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Africa	£ 10.10	Bank of Central Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Africa	£ 10.10	Bank of Eastern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Africa	£ 10.10	Bank of Western Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Africa	£ 10.10	Bank of Northern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Africa	£ 10.10	Bank of Southern Africa	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central South America	£ 10.10	Bank of Central South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern South America	£ 10.10	Bank of Eastern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western South America	£ 10.10	Bank of Western South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern South America	£ 10.10	Bank of Northern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern South America	£ 10.10	Bank of Southern South America	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Europe	£ 10.10	Bank of Central Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Europe	£ 10.10	Bank of Eastern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Europe	£ 10.10	Bank of Western Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Europe	£ 10.10	Bank of Northern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Southern Europe	£ 10.10	Bank of Southern Europe	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Central Asia	£ 10.10	Bank of Central Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Eastern Asia	£ 10.10	Bank of Eastern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Western Asia	£ 10.10	Bank of Western Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12
Bank of Northern Asia	£ 10.10	Bank of Northern Asia	£ 10.10	Acciell Securities	£ 11.12	Germanno-Vol	£ 11.12

Registration Dollars; BF - Belgium Francs; Cs - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; G - Guilders; HK - Hong Kong Dollars; L - Lira; M - Mark; N - New Zealand Dollar; P - Pound; S - Swiss Franc; Y - Yen; * - asked; * - Offer Prices; b - bid change; N.A. - Not Available; S - suspended; Ex-Dividends: ** - Ex-Rts. @ Offer Price incl. 3% prefin. charge; - Paris stock exchange; - Amsterdam stock exchange; m - misquoted earlier

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